

Maj. Gen. Charles Bertoddy Stone III, 66A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Laurence Sherman Kuter, 89A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Joseph Hampton Atkinson, 90A (brigadier general, U. S. Air Force), Air Force of the United States.

Maj. Gen. Gordon Philip Saville, 48A (brigadier general, U. S. Air Force), Air Force of the United States.

#### To be brigadier generals

Brig. Gen. Warren Rice Carter, 181A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Thomas Herbert Chapman, 189A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Charles Edwin Thomas, Jr., 192A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Francis Leroy Ankenbrandt, Jr., 267A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Morris Robert Nelson, 277A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Kenneth Perry McNaughton, 278A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Elmer Joseph Rogers, Jr., 294A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Clarence Shortridge Irvine, 296A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. George Robert Acheson, 335A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. George Warren Mundy, 358A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Roscoe Charles Wilson, 360A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Walter Edwin Todd, 361A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Bryant Le Maire Boatner, 362A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Samuel Robert Brentnall, 364A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Frank Fort Everest, 366A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. William Henry Tunner, 374A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. August Walter Kissner, 386A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Emmett O'Donnell, Jr., 387A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. William Maurice Morgan, 439A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. William Evans Hall, 460A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Frederic Harrison Smith, Jr., 461A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. William Fulton McKee, 467A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Richard Clark Lindsay, 476A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Thomas Sarsfield Power, 481A (colonel, U. S. Air Force), Air Force of the United States.

Maj. Gen. Donald Leander Putt, 494A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Alfred August Kessler, Jr., 216A (colonel, U. S. Air Force), Air Force of the United States.

The following-named officers for temporary appointment in the Air Force of the United States under the provisions of section 515, Officer Personnel Act of 1947:

#### To be major generals

Brig. Gen. Hugo Peoples Rush, 75A, United States Air Force.

Brig. Gen. Charles Edwin Thomas, Jr., 192A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Frank Alton Armstrong, Jr., 209A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. August Walter Kissner, 386A (colonel, U. S. Air Force), Air Force of the United States.

Brig. Gen. Archie Jordan Old, Jr., 605A (colonel, U. S. Air Force), Air Force of the United States.

#### To be brigadier generals

Col. Joseph Henry Davidson, 121A, United States Air Force.

Col. Edward Holmes Underhill, 421A, United States Air Force.

Col. Albert Boyd, 424A, United States Air Force.

Col. Kingston Eric Tibbetts, 436A, United States Air Force.

Col. Frederick Rodgers Dent, Jr., 444A, United States Air Force.

Col. Stuart Phillips Wright, 510A, United States Air Force.

Col. Mark Edward Bradley, Jr., 552A, United States Air Force.

Col. Robert Edward Lee Eaton, 594A, United States Air Force.

Col. Sydney Dwight Grubbs, Jr., 660A, United States Air Force.

Col. Phillips Walter Smith, 897A, United States Air Force.

#### AIR NATIONAL GUARD OF THE UNITED STATES

The officers named herein for appointment in the Air National Guard of the United States of the Air Force of the United States under the provisions of section 38 of the National Defense Act as amended:

#### To be brigadier generals

Brig. Gen. Chester Andrew Charles, AO132773, New Jersey Air National Guard, to date from October 19, 1949.

Brig. Gen. Clyde Henry Mitchell, AO263935, New York Air National Guard, to date from October 19, 1949.

Brig. Gen. Oliver Hart Stout, AO120652, Indiana Air National Guard, to date from October 19, 1949.

Brig. Gen. James Lawton Riley, AO426156, Georgia Air National Guard, to date from December 15, 1949.

## SENATE

WEDNESDAY, JANUARY 11, 1950

(Legislative day of Wednesday, January 4, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Alvin C. Murray, minister, First Methodist Church, Berryville, Ark., offered the following prayer:

Our eternal and ever-present Father, God, we are always conscious of Thy goodness in the interest of our affairs. We thank Thee that Thy hand has been seen using mysterious ways Thy wonders to perform in the history and the life of man. We pray that Thou shalt work through us to accomplish Thy ends, that we might achieve noble purposes in all our endeavors. Give us grace to examine our motives rather than simply to seek

selfish ends. Give us the wisdom that comes from contemplation of Thee and from introspective thought and love of Thy Son. Guide us, use us, give us courage. In Christ's name we pray. Amen.

#### ATTENDANCE OF A SENATOR

KARL E. MUNDT, a Senator from the State of South Dakota, appeared in his seat today.

#### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, January 10, 1950, was dispensed with.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

#### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Hayden	Morse
Anderson	Hendrickson	Mundt
Brewster	Hickenlooper	Myers
Bricker	Hill	Neely
Bridges	Holland	O'Connor
Butler	Humphrey	O'Mahoney
Byrd	Hunt	Robertson
Cain	Ives	Russell
Capehart	Jenner	Saltonstall
Chapman	Johnson, Tex.	Schoeppel
Connally	Johnston, S. C.	Smith, Maine
Cordon	Kefauver	Smith, N. J.
Darby	Kem	Sparkman
Donnell	Kilgore	Stennis
Douglas	Knowland	Taft
Downey	Langer	Taylor
Dworshak	Leahy	Thomas, Okla.
Eastland	Lehman	Thomas, Utah
Ecton	Lodge	Thye
Ellender	Long	Tobey
Ferguson	Lucas	Tydings
Flanders	McCarran	Vandenberg
Frear	McCarthy	Watkins
Fulbright	McFarland	Wherry
George	McKellar	Wiley
Gillette	McMahon	Williams
Graham	Magnuson	Young
Green	Martin	
Gurney	Maybank	

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from North Carolina [Mr. HOEY], and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. KERR] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from Colorado [Mr. JOHNSON] and the Senator from Kentucky [Mr. WITHERS] are absent on official business.

The Senator from Arkansas [Mr. McCLELLAN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The Senator from Florida [Mr. PEPPER] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate on official business.

The Senator from Nevada [Mr. MALONE] is absent by leave of the Senate on official business of the Committee on Public Works.

The PRESIDENT pro tempore. Eighty-five Senators have answered to their names. A quorum is present.

#### TRANSACTION OF ROUTINE BUSINESS

Mr. THYE obtained the floor.

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the RECORD, and that the Senator from Minnesota [Mr. THYE], who now has the floor, will not lose his rights to the floor thereby.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

#### EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

##### REPORT ON POSITIONS ESTABLISHED BY DEPARTMENT OF DEFENSE

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the number of positions established by the Department of Defense, for the calendar year 1949 (with an accompanying report); to the Committee on Armed Services.

##### REPORT OF FEDERAL TRADE COMMISSION

A letter from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law, the thirty-fifth annual report of that Commission, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

##### REPORT OF FEDERAL TRADE COMMISSION ON RATES OF RETURN

A letter from the Acting Chairman of the Federal Trade Commission, transmitting a report entitled "Report of the Federal Trade Commission on Rates of Return for 528 Identical Companies in 25 Selected Manufacturing Industries—1940, 1947, and 1948, Based on a Report to the Commission by Its Bureau of Industrial Economics" (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

##### AUDIT REPORT OF TENNESSEE VALLEY AUTHORITY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Tennessee Valley Authority, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

##### AUDIT REPORT ON CORPORATIONS OF FARM CREDIT ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on corporations of the Farm Credit Administration, for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

##### STATEMENT OF EXPENDITURES OF UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

A letter from the Director, Administrative Office of the United States Courts, Washington, D. C., transmitting, pursuant to law, a statement of expenditures of the United States Court of Customs and Patent Appeals, for the fiscal year ended June 30, 1949 (with

an accompanying statement); to the Committee on the Judiciary.

##### REPORT OF CONTRACTS NEGOTIATED BY COAST GUARD

A letter from the Commandant, United States Coast Guard, transmitting, pursuant to law, a report on contracts negotiated for experimental, developmental, or research work by the Coast Guard, for the period July 1, 1949, to December 31, 1949 (with an accompanying report); to the Committee on Armed Services.

##### REPORT OF GEORGETOWN BARGE, DOCK, ELEVATOR & RAILWAY CO.

A letter from Steptoe & Johnson, attorneys at law, Washington, D. C., transmitting pursuant to law, a report of the Georgetown Barge, Dock, Elevator & Railway Co., for the calendar year 1949 (with an accompanying report); to the Committee on the District of Columbia.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Great American Prospectors' Association, favoring the payment of the legal monetary price of silver to American prospectors and miners beginning February 15, 1950; to the Committee on Banking and Currency.

The petition of Elbert Jefcoat, of Shingle, Calif., relating to old-age and survivors insurance; to the Committee on Finance.

Resolutions adopted by the Fourth Congressional District Townsend Council, and a Sunday rally of citizens held in Lumus Park, Miami, both in the State of Florida, favoring the enactment of the so-called Townsend plan, providing old-age insurance; to the Committee on Finance.

A paper in the nature of a petition, signed by Hans J. Isbrandtsen, president, Isbrandtsen Co., Inc., of New York, N. Y., relating to attacks by the Chinese on American-flag ships; to the Committee on Foreign Relations.

A letter in the nature of a petition, signed by Mrs. Mary Klepinger, of Union, Ohio, relating to the enactment of legislation prohibiting the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

A letter in the nature of a petition from Max Kloen, of Oyster Bay, Long Island, N. Y., relating to the reissue of certain letters patent; to the Committee on the Judiciary.

A resolution adopted by the Colfax County Education Association, of Clarkson, Nebr., favoring the enactment of legislation providing Federal aid to education; to the Committee on Labor and Public Welfare.

Resolutions adopted by the Mercer Dental Society, of Trenton, N. J., the Ninth District Dental Society, of New York, and the Washington State Dental Association, of Seattle, Wash., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

By Mr. JENNER:

A petition signed by sundry citizens of the State of Indiana, praying for the enactment of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

#### PROHIBITION OF LIQUOR ADVERTISING—PETITIONS

Mr. LANGER. Mr. President, I am in receipt of a letter from Lucy M. Bon-Durant, member Loyal Women Bible Class, Christian Church, Mount Rainier, Md., transmitting petitions signed by the adult Sunday school classes of the Chris-

tian Church, Methodist Church, and Baptist Church, of Mount Rainier, and the Methodist Church of Brentwood, all in the State of Maryland, praying for the enactment of legislation to prohibit the transportation of alcoholic-beverage advertising in interstate commerce. I present the petitions for appropriate reference.

The PRESIDENT pro tempore. The petitions will be received and referred to the Committee on Interstate and Foreign Commerce.

Mr. WILLIAMS. Mr. President, I am in receipt of a letter from Mrs. Nora B. Powell, State legislative director, WCTU, New Castle County, Del., transmitting petitions signed by 1,637 citizens of New Castle County, Del., and 353 citizens of Kent County, Del., in support of legislation now pending before the Senate Committee on Interstate and Foreign Commerce to prohibit the transportation of alcoholic-beverage advertising and the advertising of alcoholic beverages over the radio. I ask that the petitions be referred to the Senate Committee on Interstate and Foreign Commerce for its consideration.

I am also in receipt of a letter from Mrs. Cora S. Palmer, legislative director, WCTU, Sussex County, Del., transmitting similar petitions signed by 1,073 citizens of Sussex County, Del., urging the enactment of that legislation, and request that they be referred to the Committee on Interstate and Foreign Commerce.

The PRESIDENT pro tempore. The petitions presented by the Senator from Delaware will be received and referred to the Committee on Interstate and Foreign Commerce.

Mr. FULBRIGHT. Mr. President, I present for appropriate reference a petition signed by 650 citizens of Stuttgart, Ark., praying for the enactment of Senate bill 1847, to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and I ask unanimous consent that the text of the petition be printed in the RECORD, without the signatures attached, with the notation that it is signed by 650 citizens of Stuttgart, Ark.

There being no objection, the petition was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, without the signatures attached, as follows:

PETITION TO THE SENATORS OF THE STATE OF ARKANSAS RE LANGER BILL (NO. 1847) WHICH WOULD PROHIBIT THE TRANSPORTATION IN INTERSTATE COMMERCE OF ALCOHOLIC BEVERAGE ADVERTISING AND STOP ITS BROADCASTING OVER THE AIR

We, the undersigned citizens of Stuttgart, Ark., favor the passage of the Langer bill and urge your support of it.

Increasing numbers of arrests, in our little city, for driving while under the influence of alcohol and for drunkenness, is noted.

Drinking at football games and most all public places is not only on the increase but it is disgusting to the average citizen, and sets a bad example for the children of school age.

This increase in drinking, no doubt, has come along with attractive ads which glamorize drinking as socially correct, seeking to create a false security in moderation.

We feel that "beer belongs" is the most insidious form of advertising, because it enters

the sanctity of the Christian family circle. The ads are misleading because they show only scenes before drinking and not the finished product.

Only you and other good Senators, by your vote, can put the Langer bill across. Won't you, therefore, please attend the committee hearing on January 12.

Signed by 650 citizens of Stuttgart, Ark.

**4-H CLUB EDUCATIONAL PROGRAM AND FEDERAL ADMISSIONS TAX—RESOLUTION OF SWIFT COUNTY (MINN.) FAIR ASSOCIATION**

Mr. HUMPHREY. Mr. President, I present for appropriate reference a resolution adopted by the Swift County Fair Association, Appleton, Minn., relating to the 4-H Club educational program and Federal admissions tax.

There being no objection, the resolution was ordered to lie on the table, and to be printed in the RECORD, as follows:

Whereas the county fairs of our State and Nation serve a useful and educational purpose, promoting and encouraging improved agricultural production, promoting and supporting the 4-H Club movement, and where exhibits are a guide to improvement of farm crops and livestock; and

Whereas the county fair is an altruistic organization not operating for profit and is therefore supported by State and county appropriations; and

Whereas the Federal Government now takes in admissions tax an amount equivalent to the county and State appropriations: Therefore be it

*Resolved at this the special meeting of the Swift County Fair Association*, That the Federal Government be urged to support this educational institution which is helping to develop the work of over 50,000 boys and girls as members of the 4-H Clubs in the State of Minnesota; and be it further

*Resolved*, That such Federal support be rendered by the elimination of Federal admissions tax now exacted from county fairs, so that county fair associations will have that additional money to further develop their institutions to better serve the public; and be it further

*Resolved*, That a copy of this resolution be forwarded to Members of Congress with the request that they introduce and support legislation which would carry out this purpose.

**INTERNATIONALISM OF JERUSALEM—RESOLUTION OF PORTLAND (OREG.) ZIONIST COUNCIL**

Mr. MORSE. Mr. President, I am in receipt of a letter from A. Victor Rosenfeld, chairman, Portland Zionist Council, of Portland, Oreg., transmitting a resolution adopted by that council with reference to the internationalism of Jerusalem. I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas Israel, having won its war of independence, has now taken its rightful place as a free and independent state among the nations of the world and as a member of the community of nations—the United Nations Organization; and

Whereas American Jewry, which has substantially aided in the fulfillment of the Zionist ideal, is eternally grateful to the United States Government for the leading role it played in the effectuation of Palestine's partition and in the subsequent ad-

mission of Israel to the United Nations Organization; and

Whereas the security of Israel is now being threatened, this time by the United Nations Conciliation Commission's plan to sever Jerusalem from Israel, a plan which would place all of the Holy City within a 60-square-mile enclave under the "full and permanent authority" of the United Nations; and

Whereas the Jews of Jerusalem, having undergone the most extreme suffering during the war when their city was under siege and in difficult straits, are now being called upon to surrender their city to an alien supervision; and

Whereas the siege of Jerusalem was lifted, not by a United Nations truce, but by the military strength of Israel who, though sorely pressed for its own survival summoned all of its resources to relieve stricken Jerusalem and save it from strangulation; and

Whereas the city of Jerusalem is predominantly Jewish in population (comprising approximately 90 percent of its total inhabitants), in art, culture, educational, and medical institutions; commerce; trade; and industry; and

Whereas for 3,000 years the Jewish people have looked upon Jerusalem with special reverence, regarding it as the spiritual center of the Jewish religion: Therefore be it

*Resolved*, That we, representing the Zionist organizations of Oregon do hereby call upon the United States Government to repudiate the impractical and unjust plan of United Nations Palestine Conciliation Commission which would cut off Jerusalem, the city of Zion, from Israel; and be it further

*Resolved*, That while we are mindful of the international character of the Christian shrines and holy places in Jerusalem we would recommend that only these sites—and no more—be placed under the supervision of the United Nations; and be it finally

*Resolved*, That copies of this resolution be sent to President Harry S. Truman and be brought to the personal attention of Congressman HOMER D. ANGELL and United States Senators WAYNE L. MORSE and GUY CORDON.

SYDNEY E. STERN,  
President, Zionist Organization of America.

NATHAN DIRECTOR,  
President, Mizrahi Men's Organization.

MISS ROSALIE HORENSTEIN,  
President, Junior Hadassah.  
MRS. NORMAN BERENSON,  
President, Portland Chapter Hadassah.

MRS. M. FRAGER,  
President, Mizrahi Women's Organization.

A. VICTOR ROSENFELD,  
President, Portland Zionist Council.

**GOVERNMENT SPENDING—RESOLUTION OF MARYLAND LEAGUE OF BUILDING, SAVINGS, AND LOAN ASSOCIATIONS**

Mr. O'CONNOR. Mr. President, during the interim following adjournment of the Congress I received a resolution from the Maryland League of Building, Savings, and Loan Associations, Baltimore, Md., which deals with a subject of the utmost importance to the future security of our country, Government spending.

I may say that the resolution is typical of the sentiments of a great number of individuals and business groups in Maryland who feel very definitely, as I do, that there must be established a policy in the Government's fiscal operations which will recognize that the sound and proved business practice of living within one's income has its application in govern-

ment as well as in every other field of national endeavor.

I send the resolution to the desk for appropriate reference, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the RECORD, as follows:

Whereas the cost of Government, Federal, State, and local, has continued to increase until today more than 25 percent of the national income is taken in the form of taxes for the operation of Government; and

Whereas the Maryland League of Building, Savings, and Loan Associations, like similar associations throughout the United States, represents thousands of substantial citizens who are either buying their homes on monthly or weekly payments or who by self-denial are endeavoring to accumulate by savings a down payment on a home which they hope some day to own, and yet another group who by small weekly or monthly savings are endeavoring to build a modest competence for their old age; and

Whereas every dollar expended by the Government, whether Federal, State or local, is a dollar taken from these thrifty citizens and handicaps them in their efforts toward personal security—a situation existing not only in Maryland but in every State in the Union: Therefore be it

*Resolved*, That the Maryland League of Building, Savings, and Loan Associations on this, its twenty-ninth annual meeting, calls upon our representatives and Federal, State, and local Government officials to give heed to the excessive cost of Government and bend every effort to reduce expenditures and particularly to eliminate unnecessary services.

The secretary is hereby instructed to forward copies of this resolution to Representatives in the Congress of the United States as well as State and local officials.

EDWARD J. BANAY,  
President.  
GEORGE J. CLAUTICE,  
Secretary.

**DISMANTLING OF CERTAIN GERMAN PLANTS—PETITION AND LETTER**

Mr. MCCARTHY. Mr. President, I ask unanimous consent to have inserted in the RECORD, without the signatures attached, two items. One is a petition addressed to the President of the United States, signed by 700 workers of the Hochfrequenz-Tiegelstahl G. m. b. H., at Bochum, Germany.

The other is a letter from Dr. John B. Crane in regard to the continued dismantling of German plants. Two different committees were called upon to study phases of the dismantling program in Germany, one headed by Mr. Keenan, the other the Humphrey committee. Both of them unanimously recommended that the steel plant at Bochum, Germany, should not be dismantled. Mr. Keenan declared it was indispensable to the recovery and successful operation of the coal mines. The Humphrey committee declared the plant was essential to the efficient operation of the German steel industry and to the economic recovery of western Europe.

Despite the unanimous opinion on the part of the two committees, this steel plant, upon the insistence of Great Britain, is being destroyed. "Dismantling"

is the wrong word—it is being scrapped. If we can believe our two committees, it is going to affect very seriously the economic recovery of Europe, and, while we are tearing down this steel plant, we have just completed spending \$45,000,000 building a huge steel plant in France. I may say I think the British and our State Department and the ECA are going a long way toward making it impossible for many of us to vote further ECA aid to Great Britain.

There being no objection, the petition and letter were ordered to be printed in the RECORD, without the signatures attached, as follows:

**PETITION OF THE WORKERS OF THE HOCHFREQUENZ-TIEGELSTAHL G. M. B. H.**

BOCHUM (WESTPHALIA), December 20, 1949.

The Honorable HARRY S. TRUMAN,

President of the United States,

The White House, Washington, D. C.

DEAR MR. PRESIDENT: It is with heavy hearts that we come to you this Christmas season for help in our despair.

We are 710 workers in the German steel plant at Hochfrequenz-Tiegelstahl at Bochum in the Ruhr. During these next 2 weeks, in a season most sacred of the year to our families, as to all Christian workers throughout the world, we are to see the complete destruction of the plant which is our livelihood.

The reason for this we can never understand. Our badly damaged plant was informed on February 21, 1947, by a written statement of the military government that it was withdrawn from the dismantling list. We rejoiced. With our own hands and no more pay each day than the value of a cigarette, despite great hunger, we speeded up rebuilding the walls of our factory and the reconstruction of the machinery. Three of our skilled steelworkers lost their lives in this sacrifice, because they were inexperienced in construction work. At last our factory was once more in useful operation.

Then the blow fell. With no explanation to us we were placed again on the dismantling list.

Mr. President, from that day to this our lives have been filled with uncertainty and anguish. We have learned that all United States investigating committees argued that our plant was necessary and should be saved. All political parties in Germany have spoken out for us. And still we are doomed.

Mr. President, this Christmas season is one of deepest sorrow for us, and we face the new year with despair. In our town of Bochum there are already several thousand metal workers out of jobs. What then can we look forward to? Among us is a larger percentage than in most German factories of partially disabled workers. These live absolutely without hope now.

We trust you will believe our sincerity when we say we long only to produce things which will be useful in a peaceful world. At this Christmas season we say from the depths of our hearts we long only for peace on earth, good will to men. But to show this and to be convinced democrats, we must be permitted to earn our living with our own hands.

Dear Mr. President, if you can't help us and help us quickly, we and our families will be lost. Will you not, as the leader of the greatest and most humane nation in the world, save our plant and make it possible for us to live as decent, useful people? In love and hopefulness, we ask this.

Sincerely,

LETTER TO SENATOR MCCARTHY

JANUARY 6, 1950.

DEAR SENATOR MCCARTHY: The Hochfrequenz-Tiegelstahl works (a small steel plant

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in the Ruhr making high alloy heat-resistant steels) at Bochum has been 35 percent dismantled as of December 21, 1949, and the completion of the dismantling is scheduled by the British for January 25.

Any further dismantling of the plant will affect key furnaces and equipment, and will cause the shut-down of the plant, with over 600 workers losing their jobs shortly after January 15.

**EFFORTS PREVIOUSLY MADE TO STOP DISMANTLING OF THIS PLANT**

The American Government made two investigations of the Hochfrequenz steel plant at Bochum in 1948. One of these was made by Mr. Keenan, and one by a group headed by Mr. Wolf, who worked for the Humphrey committee (Paul Hoffman's committee). In both cases the American experts unanimously recommended that this steel plant be saved. Mr. Keenan declared that it was indispensable to the recovery and successful operation of the German coal mines. Mr. Wolf declared that the plant was essential to the efficient operation of Germany's steel industry and to the economic recovery of western Europe.

Several United States Senators have intervened with the State Department on behalf of this plant. Among those who have tried to save this plant are Senator GEORGE, chairman of the Senate Finance Committee, and Senator MCCARRAN, chairman of the ECA "watchdog committee." Moreover, Senators BRIDGES and WHEERRY have been active in trying to save this and other steel plants.

**PAST AND PRESENT DISMANTLING STATUS OF HOCHFREQUENZ-TIEGELSTAHL PLANT**

During the war the Hochfrequenz steel plant was badly damaged by bombings. The British decided the plant was not a war plant and gave the plant a work permit to resume operations, and removed the plant from the reparations list in February 1947.

With the plant removed from the reparations list early in 1947 the management and workers got busy and rebuilt the plant with an expenditure of over 4,000,000 marks. Over 2 years later, on May 5, 1949, the British notified the plant that it would be dismantled beginning July 1, 1949.

As a result of the intervention of Senators GEORGE, MCCARRAN, and others, the British withdrew the dismantling order temporarily, but gave out a new order a month later. They ordered the dismantling to begin August 3, 1949. Dismantling has been in progress since that date and still continues.

In justifying their new order to dismantle the Hochfrequenz steel works the British Government told the State Department that duplicate capacity existed in other German steel plants and that the output of the small Bochum plant could easily be taken over by other steel plants. They said the workers could readily be absorbed in other industries when the plant was dismantled.

I have just returned from Germany where I took occasion to visit the Hochfrequenz plant and to talk with the management. They declare that the bulk of their production cannot be produced in any other steel plant in Germany as it requires special furnaces and highly specialized equipment not available elsewhere. The dismantlement of their plant will make them dependent on imports from the British and French alloy steel industries.

Moreover, I checked with the mayor's office in Bochum and found that the town already has over 2,500 unemployed metal workers as a result of the recent dismantling of the huge Bochumer Verein steel plant which is also located in the town of Bochum.

Hence, if the Hochfrequenz-Tiegelstahl works is dismantled, it will dump an additional 650 workers and their families on the local relief rolls. Since unemployment has been growing in western Germany in recent

months, is it desirable deliberately to increase this unemployment by the dismantling of a nonwar steel plant?

The British admit that the Hochfrequenz steel plant is not a primary war plant, and that almost all of its production has always been for major peacetime industries such as the railway industry, the coal-mining industry, the electric utility industry, etc.

**ADENAUER INTERVENES TO SAVE HOCHFREQUENZ**

Dr. Adenauer, the Reichs Chancellor of the new Federal Republic of Western Germany, has just intervened to try to save the Hochfrequenz plant at Bochum. At the last meeting of the three Allied high commissioners for Germany, held on December 16, 1949, at Petersberg, near Bonn, Dr. Adenauer pleaded for the saving of the Hochfrequenz plant. The commissioners replied that since the plant was not included in the list of plants agreed upon at Paris in November, it was not within their jurisdiction to consider his request.

It should be noted that the decision to dismantle the Hochfrequenz plant was made without any reasons ever being given in defense of such action, and without the Germans ever being told why the plant was to be dismantled, or ever being permitted to refute erroneous statements which have been made about the plant.

It is the consensus of opinion of American experts who have carefully studied the Bochum situation that the major motive behind the British insistence on dismantling the Hochfrequenz plant is the desire to eliminate German competition.

Of great significance in this regard is the fact that the American High Commissioner for Germany, John J. McCloy, told me in a conference in his office at Frankfurt, Germany, on December 19, 1949, that he personally would like to see the Hochfrequenz plant saved.

**AN IMMEDIATE MORATORIUM ON DISMANTLING IS NECESSARY**

If the Hochfrequenz steel plant at Bochum is to be saved, an immediate moratorium on further dismantling is necessary. Such a moratorium should be for 60 or 90 days, or whatever period is required for the appointment of a special committee to investigate and report on the situation at Bochum. No harm could result from such a moratorium and investigation, while such an inquiry might well prevent a grave injustice being done.

Sincerely yours,

JOHN B. CRANE,  
Washington, D. C.

**REPORT OF A COMMITTEE**

The following report of a committee was submitted:

By Mr. HAYDEN, from the Committee on Rules and Administration:

S. Res. 180. Resolution to amend rule XXV of the Standing Rules of the Senate with respect to a quorum of committees and subcommittees; without amendment (Rept. No. 1208).

**FUNERAL EXPENSES OF THE LATE SENATOR REED, OF KANSAS**

Mr. HAYDEN. Mr. President, by direction of the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 201, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 201) submitted by Mr. SCHOEPEL on January 5, 1950, was considered and agreed to as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by

the committee appointed to arrange for and attend the funeral of Hon. Clyde M. Reed, late a Senator from the State of Kansas, on vouchers to be approved by the Committee on Rules and Administration.

#### REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON FINANCE

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

JANUARY 10, 1950.

#### REPORT OF COMMITTEE ON FINANCE

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from July 1, 1949, to December 31, 1949, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
Elizabeth B. Springer, acting chief clerk.....	\$7,775.31	\$3,764.20
Janice M. Evely, stenographer.....	4,588.86	2,221.56
Sam Oglesby, stenographer.....	4,588.86	2,221.56
Jesse E. Nichols, document clerk.....	3,980.55	1,927.10
Hal P. Phillips, professional staff.....	7,775.31	3,764.20
Serge Benson, professional staff.....	6,765.16	4,728.04

Funds authorized or appropriated for committee expenditure.....	\$10,000.00
Amount expended Jan. 1, 1949, to June 30, 1949 (already reported).....	3,212.55
Amount expended July 1, 1949, to Dec. 31, 1949.....	584.16
Balance unexpended.....	6,203.29

WALTER F. GEORGE,  
Chairman.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GREEN:

S. 2829. A bill to repeal certain legislation relating to the purchase of silver, and for other purposes; to the Committee on Banking and Currency.

By Mr. KEFAUVER:

S. 2830. A bill for the relief of E. C. Browder and Charles Kenyon; and

S. 2831. A bill for the relief of Constantinos Tzortzis; to the Committee on the Judiciary.

By Mr. MCMAHON:

S. 2832. A bill for the relief of the Hotchkiss Sales Co.; to the Committee on the Judiciary.

(Mr. CAIN introduced Senate bill 2833, to effectuate the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to the organization of the Department of the Interior, which was referred to the Committee on Expenditures in the Executive Departments, and appears under a separate heading.)

By Mr. LANGER:

S. 2834. A bill for the relief of Gerd. Anni Berger Fedje; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2835. A bill for the relief of Boris Paul von Stuckenberg and wife, Maria Alexander von Stuckenberg (with accompanying papers); to the Committee on the Judiciary.

By Mr. MORSE:

S. 2836. A bill to extend the terms of patents No. 97,889, 128,610, 130,479, and 2,138,992; and

S. 2837. A bill for the relief of Mrs. Claire Phillips Clavier; to the Committee on the Judiciary.

#### ORGANIZATION OF THE DEPARTMENT OF THE INTERIOR

Mr. CAIN. Mr. President, I introduce for appropriate reference a bill to effectuate the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to the organization of the Department of the Interior, and I ask unanimous consent that a brief explanatory statement of the bill by me be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the explanatory statement will be printed in the RECORD. The Chair hears no objection.

The bill (S. 2833) to effectuate the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to the organization of the Department of the Interior, introduced by Mr. CAIN, was received, read twice by its title, and referred to the Committee on Expenditures in the Executive Departments.

The explanatory statement presented by Mr. CAIN is as follows:

#### EXPLANATORY STATEMENT BY SENATOR CAIN

Mr. President, I introduce for appropriate committee reference proposed legislation dealing with certain aspects of Federal hydroelectric power projects, irrigation-reclamation projects, and flood-control projects throughout our Nation.

This bill, for which I ask unanimous consent to have printed in the RECORD at the end of these remarks, has been drafted to follow, as closely as possible, the recommendations of the Hoover Commission on Organization of the Executive Branch of the Government as reflects our Nation's water resources.

Nearly all recommendations of the Commission have been drafted into legislation, and this bill virtually completes the introduction of bills necessary to enable the Congress to study various recommendations in legislative form.

My prime purpose in introducing this legislation is with the same view I had in mind when I introduced other bills dealing with multiple-purpose projects. These bills were: S. 1595, introduced April 14, 1949, dealing with the comprehensive plans agreed to by the Army Corps of Engineers and the Bureau of Reclamation for development of the Columbia River; S. 1631, introduced April 18, 1949, dealing with the administration's plan for establishment of a Columbia Valley Administration; and S. 1632, introduced April 1949, which would establish a Columbia Interstate Commission.

When the bills were introduced in the first session of this Congress, I told the Senate:

"Every suggestion and plan ought to be minutely analyzed and studied by the Congress \* \* \* the problem before the Congress is to make as certain as it can that the very best procedures are employed in securing the maximum beneficial good from the broadest utilization of the resources of the Columbia River Basin and any other river basin."

I introduced these various bills in order that all of the proposed development programs for the Pacific Northwest might be, at the same time, before the committee having jurisdiction, and the Congress. Some of this legislation has been introduced only for the purpose of having all plans up for consideration at one and the same time. The three bills I introduced in the last session are, along with other similar bills, now being considered by the Senate Public Works Committee. Hearings have been held in Washington, D. C., on these proposals. Further extensive hearings must be held in the field.

During the hearings already held, numerous and frequent references have been made by witnesses, and members of the committee, to the recommendations by the Hoover Commission on river-basin projects. While these recommendations are on a national, rather than regional scale, they have a direct and important bearing on the Pacific Northwest and I think the time is now here when the Senate should have these recommendations before it, in bill form, for consideration.

Reading of the bill will readily reveal, in simple terms what it proposes to do. As best it could, the legislation was drawn up to follow the recommendations of the Commission as outlined in the Task Force Report on Water Resources Projects, known as Appendix K of the Commission's over-all report. Regardless of whether one is for or against the Hoover Commission proposals, this bill places the recommendations in legislative form for better study. This bill would consolidate all river-development activities of the Nation within the regular structure of the executive department, specifically through a new water development and use service in the Department of the Interior.

#### CONSTRUCTION, REPAIR, AND PRESERVATION OF CERTAIN PUBLIC WORKS—AMENDMENT

Mr. MAYBANK submitted an amendment intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was ordered to lie on the table and to be printed.

#### AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. MAYBANK. Mr. President, I submit for appropriate reference amendments intended to be proposed by me to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that a summary of the amendments, prepared by me, may be printed in the RECORD.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table, and, without objection, the summary presented by the Senator from South Carolina will be printed in the RECORD. The Chair hears no objection.

The summary is as follows:

JANUARY 11, 1950.

#### SUMMARY BY SENATOR MAYBANK ON PROPOSED AMENDMENTS TO S. 2246, RELATING TO THE NATIONAL HOUSING ACT

#### CHANGES IN TITLE I OF THE NATIONAL HOUSING ACT (EXTENSION OF INSURANCE PROGRAM FOR MODERNIZATION AND REPAIR LOANS)

Amendment 1 would extend on a permanent basis the program for insurance of modernization and repair loans under title I of the National Housing Act. Up to the present time this program has operated on the

basis of a series of extensions by the Congress, and under existing law would expire on March 1, 1950. Under S. 2246 (sec. 101), as reported by the Senate Committee on Banking and Currency, the program would have been extended until July 1, 1952. Under this amendment 1, each financial institution participating in the program would, as in the past, build up an insurance reserve representing 10 percent of the amount of its title I loans and advances of credit, which would constitute the extent of the Government's maximum insurance liability to the institution. However, after a reserve is built up over a 30-month period under the amendment, one-fifth of the reserve would be cut back at the expiration of each 6-month period, beginning January 1, 1953. For administrative convenience, all these reserve cut-backs would be made on July 1, and January 1 of each year. This amendment would become effective March 1, 1950.

Amendment 2 would provide that the new maximum authorization for the title I modernization and repair loan program provided in S. 2246 would not become effective until March 1, 1950. This would make the effective date of such authorization consistent with the effective date of amendment 1.

Amendment 3 would reduce (from \$5,000,000 to \$1,000,000) the initial amount provided for the title I housing insurance fund under section 8 of S. 2246. That fund would constitute a revolving fund for carrying out the mortgage insurance program for very low-cost homes under section 8, particularly in suburban and outlying areas.

#### CHANGES IN TITLE II OF THE NATIONAL HOUSING ACT (INCREASED AUTHORIZATION AND RENTAL-HOUSING AMENDMENTS)

Amendment 4 would increase the mortgage-insurance authorization under title II of the National Housing Act by \$1,250,000,000 immediately, and by an additional \$1,500,000,000 upon the approval of the President. The present provisions of S. 2246 (in sec. 103 of the bill) have become obsolete by virtue of the enactment of Public Law 387 on October 25, 1949, and the passage of time.

Amendment 5 would make certain changes in section 207 of the National Housing Act in order to provide a better method for the insurance of mortgages on rental-housing projects on the basis of permanent legislative authorization, as distinguished from the emergency temporary rental-housing program under section 608, which is due to expire on March 1, 1950.

At the present time the amount of a rental-housing mortgage insured under section 207 may not exceed 80 percent of the value of the property, and such mortgage may not exceed \$8,100 per family unit, except that in the case of certain mortgages on housing of cooperatives this dollar limitation may be \$1,800 per room. Amendment 5 would substitute the following schedule of ratios of maximum loan to value: Not to exceed the sum of 90 percent of the first \$7,000 value per family unit and 60 percent of the value in excess of \$7,000 and not in excess of \$10,000 per family unit. The \$8,100 per family unit maximum in section 207 would be retained, except that this dollar limitation would be \$7,500 per family unit if the number of rooms in the project does not equal or exceed four and one-half per family unit. This exception is designed to encourage the production of rental accommodations of adequate size for families with children. (These maximums in sec. 207 may be compared to the mortgage ceilings of \$8,100 per family unit and 90 percent of necessary current cost under sec. 608.) Special mortgage insurance ceilings would be provided for Alaska in view of the higher costs and other conditions peculiar to that Territory.

The amendment would expressly state that the insurance of mortgages under section 207 is intended to facilitate particularly the pro-

duction of rental accommodations of design and size suitable for family living and at rents within the means of families of moderate income. The Federal Housing Commissioner would be directed to take action which would make the benefits of mortgage insurance under this section available primarily to projects making adequate provision for families with children and in which every effort has been made to achieve moderate rental charges. The amendment would impose penalty provisions (similar to those applicable to sec. 608 housing) for discriminating against families with children in the selection of tenants.

This amendment would also change section 207 (d) of the National Housing Act to increase the maximum FEA charges for appraisal and inspection fees under section 207 from one-half of 1 percent to 1 percent.

Amendment 6 would make certain technical changes in section 207 with respect to foreclosure in the event of mortgage default. Amendment 7 is technical.

Amendment 11 would make section 608 expire at the time of the enactment of S. 2246 instead of the present expiration date of March 1, 1950.

#### READJUSTMENT OF POSTAL RATES—RECOMMITTAL OF BILL

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the bill (S. 1103) to readjust postal rates be taken from the calendar and re-committed to the Committee on Post Office and Civil Service.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

#### SUGGESTED USE OF NATIONAL EMERGENCY PROVISIONS OF LABOR-MANAGEMENT RELATIONS ACT

Mr. FERGUSON. Mr. President, I submit a concurrent resolution on behalf of myself, the Senator from Ohio [Mr. TAFT], the Senator from Wisconsin [Mr. WILEY], the Senator from Missouri [Mr. DONNELL], the Senator from Indiana [Mr. JENNER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Maine [Mr. BREWSTER].

The sponsors of the concurrent resolution have concluded that there is persuasive evidence that the growing strike in the coal industry, if permitted to continue, will impair the national health and safety. We cite the existence on the statute books of a law authorizing the President of the United States to act in such circumstances to protect the national health and safety.

The concurrent resolution would be advisory to the President. The Senate of the United States, with the House concurring, should adopt the resolution advising the President that it is the sense of the Congress that in view of existing circumstances the President should invoke the national emergency provisions of the Labor-Management Relations Act of 1947.

On nine previous occasions the President has employed these provisions, which are sections 206 to 210 of the act. Those sections set forth the steps which the President may take when, in his opinion, a threatened or actual strike, if permitted to continue, will imperil the national health or safety:

First. He appoints a board of inquiry to inquire into the issues involved and

make a written report to him. He may limit the time for the board's consideration and he has, in the past, required such reports within the matter of a very few days.

Second. Upon receiving a report from the board of inquiry, he may direct the Attorney General to seek an injunction.

In three of the nine occasions upon which the President has in the past invoked these national emergency sections the dispute was settled without the necessity of seeking an injunction.

The nine cases in which the President has invoked the emergency sections are as follows:

First. Atomic energy—injunction issued.

Second. Meat packing—Emergency board created and made its report, but no injunction was sought.

Third. First coal strike—injunction issued.

Fourth. Second coal strike—strike called off before petition for injunction was sought.

Fifth. Long-lines telephone—Emergency board created, but strike was settled without the board considering the case.

Sixth. Maritime, first east-coast strike—injunction issued.

Seventh. Maritime, west coast—injunction issued.

Eighth. Maritime, Great Lakes—injunction issued.

Ninth. Maritime, second east-coast strike—injunction issued.

I send the concurrent resolution to the desk for appropriate reference.

The concurrent resolution (S. Con. Res. 68), was referred to the Committee on Labor and Public Welfare, as follows:

Whereas there is persuasive and compelling evidence that the current strike in the coal industry will, if permitted to continue, imperil the national health and safety; and

Whereas there already exists legislation authorizing the President to act under such circumstances to protect the national health and safety: Therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress that the President of the United States should invoke the national emergency provisions (secs. 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, in the current strike in the coal industry.

#### HEARINGS BEFORE COMMITTEE ON BANKING AND CURRENCY

Mr. MAYBANK submitted the following resolution (S. Res. 208), which was referred to the Committee on Banking and Currency:

*Resolved*, That the Committee on Banking and Currency hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, \$10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, as increased by Senate Resolution 175, Eighty-first Congress, agreed to October 13, 1949.

#### REMOVAL OF RESTRICTIONS ON MARGARINE—ADDRESS BY SENATOR FULBRIGHT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD a radio address entitled "Should the Senate Remove Restrictions on Margarine Now?" delivered

by him on America's Town Meeting of the Air, on January 10, 1950, which appears in the Appendix.]

**SUPPORT FOR MARGARINE LEGISLATION—LETTER BY HAROLD A. YOUNG**

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD a letter written by Harold A. Young, urging support for margarine legislation, published in the Progress Bulletin of Memphis, Tenn., of January 1, 1950, which appears in the Appendix.]

**HISTORY OF LAYING OF CORNERSTONE OF THE WHITE HOUSE**

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD a history of the laying of the cornerstone of the White House on October 13, 1792, including an article from the Charleston (S. C.) City Gazette, which appears in the Appendix.]

**MULTIPLE-PURPOSE DAMS FIT IN THE DEVELOPMENT OF NATURAL RESOURCES—ARTICLE BY SENATOR KEFAUVER**

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article on multiple-purpose dams and the development of natural resources, written by him and published in the January issue of the Farm and Ranch magazine, which appears in the Appendix.]

**THE NATIONAL BUDGET OF SCIENTIFIC WORK FOR 1950—ADDRESS BY DR. JOHN R. STEELMAN**

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "The National Budget of Scientific Work for 1950," delivered by Dr. John R. Steelman, Assistant to the President, before the Third National Men of Science and Industry dinner, Washington, D. C., December 2, 1949, which appears in the Appendix.]

**WE ARE FOR TAFT'S REELECTION—EDITORIAL FROM COLLIER'S MAGAZINE**

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an editorial entitled "We Are for Taft's Reelection," published in the January 14, 1950, issue of Collier's, which appears in the Appendix.]

**SENATOR SCOTT W. LUCAS—ARTICLE BY SIDNEY SHALETT**

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article regarding Senator LUCAS, written by Sidney Shallett, and published in Collier's magazine for January 14, 1950, which appears in the Appendix.]

**ADDRESS BY MARY DONLON BEFORE NEW YORK STATE FEDERATION**

[Mrs. SMITH of Maine asked and obtained leave to have printed in the RECORD an address delivered at a meeting of the board of the New York State Federation by Mary Donlon, National Federation's program coordination chairman and chairman of the New York State Workmen's Compensation Board, published in the Independent Woman of November 1949, which appears in the Appendix.]

**FORMOSA STAND SAID TO PUT ALL PACIFIC IN JEOPARDY—ARTICLES BY GILL ROBB WILSON**

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD an article entitled "Formosa Stand Said To Put All Pacific in Jeopardy," written by Gill Robb Wilson, and published in the New York Herald Tribune of January 10, 1950, which appears in the Appendix.]

**WHY IS GENERATION A PERENNIAL ISSUE?—ARTICLE FROM THE RURAL ELECTRIFICATION MAGAZINE**

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an article entitled "Why Is Generation a Perennial Issue?" written by Malcolm W. Wehrung, and published in the January 1950 issue of the Rural Electrification magazine, which appears in the Appendix.]

**A POLITICAL PROGRAM FOR DEMOCRACY—ADDRESS BY SENATOR HUMPHREY**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an address entitled "A Political Program for Democracy," delivered by him before the New York Herald Tribune Forum on October 24, 1949, which appears in the Appendix.]

**AGRICULTURAL PRICE SUPPORTS AND THE BRANNAN FARM PROGRAM—EDITORIAL COMMENT**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "United States Price Props for Farm Crops Dip, Survey Reveals," published in the St. Paul (Minn.) Dispatch of December 12, 1949, and an editorial entitled "Brannan's Warning," published in the St. Paul Pioneer Press of December 14, 1949, which appear in the Appendix.]

**LAST YEAR'S LYNCHINGS**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Last Year's Lynchings," published in the Washington Star of January 9, 1950, which appears in the Appendix.]

**POLICY FOR ASIA?—ARTICLE BY JOSEPH AND STEWART ALSOP**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Policy for Asia?" written by Joseph and Stewart Alsop, and published in the Washington Post of January 9, 1950, which appears in the Appendix.]

**GOMPERS CENTENNIAL—EDITORIAL FROM THE WASHINGTON STAR**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Gompers Centennial," published in the Washington Star of January 9, 1950, which appears in the Appendix.]

**PROGRAM FOR STRENGTHENING CONGRESS—LETTER TO SENATOR HUMPHREY FROM ROBERT HELLER**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a letter addressed to him under date of January 27, 1949, by Robert Heller, chairman of the National Committee for Strengthening Congress, which appears in the Appendix.]

**TURN OF THE CENTURY—EDITORIAL FROM THE MINNEAPOLIS TRIBUNE**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Turn of the Century," published in the Minneapolis Tribune of January 1, 1950, which appears in the Appendix.]

**BENEFITS PAID MINNESOTA WAR VETS PASS \$105,000,000—ARTICLE FROM THE ST. PAUL DISPATCH**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "Benefits Paid Minnesota War Vets Pass \$105,000,000," published in the St. Paul Dispatch of January 6, 1950, which appears in the Appendix.]

**SAMUEL GOMPERS—HIS STORY**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial

entitled "Samuel Gompers—His Story," published in the Minneapolis Labor Review of January 5, 1950, which appears in the Appendix.]

**FLOOD PERIL AT VINCENNES, IND.**

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared dealing with flood conditions at Vincennes, Ind., and I also ask to have printed in the body of the RECORD an article entitled "Vincennes Peril Grows," written by Jep Cadou, Jr., published in the Indianapolis Star of January 9, 1950.

There being no objection, the statement and the article were ordered to be printed in the RECORD, as follows:

**STATEMENT BY SENATOR CAPEHART**

Mr. President, at this moment the citizens of that historic city of Vincennes, Ind., are hoping and praying that an unfinished flood-prevention project holds off the raging waters of the Wabash River.

At this moment, Mr. President, the citizens of Vincennes are in deathly fear of the catastrophe they hoped would be prevented by a flood wall for which they have pleaded for years.

I am sure that every Member of the Senate has been reading of the disastrous Indiana floods and the great danger to Vincennes.

The crest of the Wabash flood is expected today or tomorrow.

Whether the short and completely inadequate flood wall around Vincennes will hold is a matter of conjecture.

Vincennes suffered heavy damage from floods in 1943 and in 1945.

I was there and watched Vincennes fight for its life in 1943.

Only because wartime troops stationed near Vincennes were rushed into the city to help bulwark its defenses against the floodwaters was the city saved.

In 1945 more damage came to the city, and in 1946 the Congress heeded our pleas for help and authorized a new and larger and safer flood wall.

While that was pending in the budget another flood hit Vincennes and finally the Congress appropriated \$40,000 for planning a new flood wall with authorization to spend \$360,000 for building the wall this year.

I appeared before the Appropriations Committee of the Senate last April and pleaded that the appropriation be made so that work could start at once.

I am fully familiar with the Vincennes problem and I greatly feared the very thing that is happening today in Vincennes.

In my testimony before the committee I said:

"This, to my mind, is an emergency because these floods in the Wabash River simply will not wait; and if we have a really bad flood and a lot of high water, we are going to lose literally tens and tens of thousands of dollars' worth of property. We are going to lose a lot of levees."

Mr. President, I gave this warning to the committee:

"I am fearful even now that we will lose the whole thing before it can be finished."

You see, Mr. President, I live along the White River just about 20 miles away, and I am quite familiar with what happens when the Wabash River goes on a rampage.

The fears I expressed for the safety of Vincennes less than a year ago were not unfounded.

If the Congress a year ago could have taken a meager \$360,000 out of the billions and billions of dollars that were sent overseas the people of Vincennes would not today be in danger.

We have been penny-wise and pound-foolish in many ways, Mr. President, and this instance is certainly one of them.

For the last several days nearly 1,000 troops from Fort Knox, Ky., have been helping the Vincennes volunteers in the battle to save the city that was the first capital of the great Northwest Territory.

Thousands upon thousands of dollars are being spent to bolster that wholly inadequate flood wall.

Thousands upon thousands of dollars are being lost in property because levees above and below the city have been broken in order to save the city.

And yet today we are not sure that the city of Vincennes will not be wiped out along with many other levees along the river.

I think, Mr. President, that in this session of the Congress we could well give more attention to our own people before we spend weeks and months of our time perfecting ways and means of pouring more billions of dollars into foreign lands.

[From the Indianapolis Star of January 9, 1950]

VINCENNES PERIL GROWS—SANDBAGS RUSHED AS RIVER THREATENS TO OVERFLOW LEVEE  
(By Jep Cadou, Jr.)

Troops and volunteers frantically sandbagged the Vincennes sea wall last night in preparation for the highest flood crest in the city's history—expected to reach within inches of the top of the wall.

As the rising Wabash River reached 26.15 feet there yesterday, the Weather Bureau revised upward a previous estimate of a 28-foot crest.

The river probably will go over 28 feet and perhaps almost to 29 late Wednesday or early Thursday, said Paul A. Miller, chief meteorologist at the Indianapolis Weather Bureau.

The wall is 29 feet high. Army engineers said troops from Fort Knox, Ky., may be ordered momentarily to begin construction of mud boxes atop the wall to safeguard the city.

Meantime, 30 miles north, a crumbling dirt levee was expected to wash out momentarily and flood 5,500 acres of farm land. Authorities gave up an attempt to save the levee by sandbagging.

Graysville, a small Sullivan County community 5 miles east of the expected levee break, was evacuated and Indiana 154 was blocked by Indiana State police.

On the Illinois shore of the Wabash River, opposite the weakened levee, Illinois State police closed the Hudsonville bridge.

Indiana State Police Superintendent Arthur M. Thurston expressed fear some sightseers attracted to the area might have remained and could be in danger.

State police said a shift in wind or the flood crest, due within 48 hours near Graysville, could wash out the levee. If the break occurs, a slightly lower crest would occur at Vincennes.

With the level of the Wabash behind the levee higher than the downtown business section, water began pouring up through sewer openings on downtown streets. Evening services at the First Methodist Church were cut short so that the congregation could leave before water, already running-board deep, became too high for driving.

The Niblack levee, nine miles north of Vincennes, broke through at 9:20 p. m., flooding 16,000 acres of bottomland, State police reported. There were no casualties.

U S 50 between Vincennes and Lawrenceville, Ill., was closed by high water yesterday.

Some 970 troops and 200 volunteers were filling and stacking sandbags last night.

#### REPEAL OF EXCISE TAXES—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I prepared this morning entitled "Excise Taxes Should Be Repealed Right Now Simultaneously With Dairy Amendment to Oleomargarine Bill."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

##### STATEMENT BY SENATOR WILEY

EXCISE TAXES SHOULD BE REPEALED RIGHT NOW SIMULTANEOUSLY WITH DAIRY AMENDMENT TO OLEOMARGARINE BILL

Mr. President, yesterday I attached, on behalf of myself and cosponsor of the Gillette-Wiley amendment to the oleomargarine bill, the Butler-Johnson amendment for reduction of the wartime rates of many nuisance excise taxes. Unfortunately, there has been a certain amount of confusion on this question interjected into the discussion by the oleo lobby, and I should like to set forth below, in a few points, the issue as we see it:

1. We have provided to the American consumer a golden opportunity to repeal excise taxes right now instead of waiting for some mythical tomorrow, when the administration may deign to bring up the excise-tax issue. We notice that the opposition is frantically promising to bring up excise taxes sometime during the session. In the meantime, however, it is simply stating a fact that the administration will be bombarding Congress with requests to spend \$42,000,000,000 and more money, and even increase the prospective \$5,000,000,000 deficit. In other words, as time goes on, the administration hopes to embarrass the Congress so much, by its requests for appropriations, that the promise of excise-tax repeal will more and more fade into the background.

2. The Senators who have agreed to a one-package excise-tax repeal—dairy substitute amendment—did so in sincere support of excise-tax relief. In other words, we firmly believe, as our able colleague, the Senator from Nebraska [Mr. BUTLER] said yesterday, that the time is long overdue to cut the tax on transportation of persons from 15 to 10 percent; on local telephone calls from 15 to 10 percent; on luggage to eliminate completely the retailers' excise tax of 20 percent, replacing it only by the previous manufacturers' tax of 10 percent. We believe that the time is overdue to cut the wartime rate on admissions.

The opposition has attempted to smear our effort and to imply that we are simply trying to kill oleo legislation. That, Mr. President, I respectfully submit is a downright misstatement and misinterpretation of fact. We want some form of oleo legislation to pass, and we want it to pass with excise-tax repeal. We want the dairy substitute amendment to be voted simultaneously with excise-tax relief.

I say to my colleagues who announce that they will try to strike the excise-tax provisions from the dairy amendment:

You are unwittingly fooling yourselves and fooling the people in leading them to believe that—

(a) The people will ever get excise-tax relief unless it is voted immediately, or

(b) A real friend of the 2,250,000 dairy farmers can simultaneously vote for the dairy amendment but vote to strike out the excise-tax amendment.

The dairy farmers of America are not fools. They recognize that a one-package dairy substitute excise-tax bill provides the greatest hope for American agriculture and for the American consumer simultaneously.

I urge every American voter, who wants his excise-tax burden relieved, to urge his Senator to vote to retain the one-package approach, rather than to split it.

#### PROPOSED RESUMPTION OF DIPLOMATIC RELATIONS WITH SPAIN—STATEMENT BY SENATOR WILEY

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared urging that the United States send an Ambassador back to Madrid to resume normal diplomatic relations with the Spanish Government. I ask unanimous consent that the text of this statement be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

##### UNITED STATES SHOULD RESUME RELATIONS WITH SPAIN THROUGH AN AMBASSADOR AT MADRID

It has been my firm belief that the best interests of the United States and of world freedom and peace would be served by arranging for the return of an American Ambassador to Madrid to resume normal relations with the Spanish Government.

There is quite a bit of confusion by some folks on this point. In order to be positively sure, in turn, about my own facts, some 3 months ago, I addressed an inquiry to the Senate Foreign Relations Committee to secure the background of this problem. On the basis of the answer which I received and further inquiries which I have conducted, I should like to state the following:

##### WE DO RIGHT NOW HAVE BUSINESS WITH MADRID

1. It would be inaccurate to say that the United States does not recognize General Franco's government. Actually we have an Embassy at Madrid which is under the supervision of a chargé d'affaires, and we continue to do business with the Spanish Government, but not through an Ambassador.

2. We have not had an Ambassador there for several years. This is due largely to the fact that in 1946 the General Assembly of the United Nations passed a resolution recommending to the members of the United Nations that their Ambassadors to Madrid be withdrawn. Even then, our Ambassador was not at his post in Madrid and since then we have not returned him to his duties there.

3. Prior to that, at the San Francisco Conference a resolution was passed to the effect that Spain should not be permitted to participate in the work of the UN as long as General Franco headed the Government.

##### BIPARTISAN SUPPORT OF RESUMING RELATIONS

4. The fact that leading American legislators believe that the time is long overdue to change America's policy is indicated by the following: Both Senators CONNALLY and VANDENBERG have expressed the view that it is, for example, completely inconsistent for us to have an Ambassador in hostile Moscow and not one in anti-Communist Madrid. We also note that the chairman of the House Foreign Affairs Committee, Congressman KEE, has now also recommended steps toward a resumption of ambassadorial relations with the Madrid government.

##### UN RESOLUTION NOT BINDING

5. I should like to point out that in December 1949, at a press conference, Senator CONNALLY stated his belief that the resolution adopted by the UN General Assembly "was not necessarily binding on the United States." He further stated that "it was simply a persuasive resolution recommending to the country that they do this." Senator CONNALLY then went on to emphasize the advantages of having an Ambassador at Madrid, and I will set them forth now.

SPAIN HAS VITAL SIGNIFICANCE TO WESTERN PLANS

6. No one disputes the fact that if an American Ambassador represents our interests there, he can look after the needs of our citizens, serve as a listening post, conduct high-level talks, if necessary with Spanish officials, report to our Government on trends in that area of Europe and elsewhere, etc. This is wholly aside from the question of the present status of our fight against communism throughout the globe.

7. But now, at this point, let us add the crucial fact that we are engaged in a cold war with the anti-Christian and revolutionary conspiracy of the Soviet Union. We have poured untold billions of dollars since the end of the war into Europe to stop communism. We are right now pouring a billion dollars of arms into the western European countries. We are not being choosy about the politics of some of our friends, because we have no alternative but to side with those who sincerely oppose communism.

We sent military missions to Greece although we had doubts about some of our friends there; but we had no doubts about the murderous Greek Communists who were destroying that unhappy little land. We are pouring economic and other aid to Red-coat Marshal Tito, although the memory is still fresh in our mind that he was blithely shooting down American airmen but a few years ago.

FEW NATIONS ENJOY AMERICAN-STYLE LIBERTIES

The Portuguese Government is a party to the North Atlantic Treaty, although her people do not enjoy the rights that our own people do. In fact, if we were to withdraw our ambassadors from every country whose people do not enjoy American-style civil liberties, we would have an army of unemployed American envoys, including United States diplomats from every country behind the iron curtain.

We thus see that a realistic view of the situation requires that we utilize every instrument available in our fight against communism or else we will simply be cutting off our nose to spite our face. We will be failing to fully recognize General Franco's government because of some obsolete decisions made by the UN which are by no means binding.

SPAIN'S INTERNAL AFFAIRS ARE SPAIN'S BUSINESS

8. To return our Ambassador to Spain does not mean that we approve of the Madrid government's policies any more than we necessarily approve any other government's policies. Spanish internal affairs are the business of the Spanish people themselves. No one disputes the fact that General Franco is now, always has been, and always will be a powerful opponent of communism. The position of Spain at Gibraltar and at the Pyrenees is of obvious military importance in future operations.

To return our Ambassador to Madrid does not mean, of course, that we are committed to defending western Europe only at the Pyrenees (as against defending it at the Rhine.)

The Madrid government is stable. It possesses all the qualities of a state, and it is ridiculously inconsistent for us to pursue a policy which is now completely outdated, which is not doing us any good, the devout Spanish people any good, or western Europe any good, but which is only helping our common foe—the brutal Communist clique in the Kremlin.

CONCLUSION

I, therefore, urge the President and his Secretary of State to reconsider their policy and to change it in the light of present-day realities. I urge them to make the strongest possible representations accordingly to the United Nations.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. McCARTHY], inserting certain language after line 10, on page 4 of the original bill.

Mr. THYE. Mr. President, I rise to support the Gillette-Wiley substitute to H. R. 2023. Because I am convinced that removal of restrictions relating to oleomargarine colored yellow in imitation of butter would have a serious adverse effect on the dairy industry, and eventually the entire agricultural economy, I have joined with a group of 25 Senators in sponsoring this amendment in the nature of a substitute to House bill 2023. The amendment would repeal the Federal taxes on oleomargarine, but would make unlawful the manufacture, transportation, or sale of yellow oleomargarine in interstate commerce. This measure is along the lines I believe necessary as a fair safeguard to consumers and producers of both dairy products and substitutes.

Yellow oleomargarine manufactured or colored within the borders of a State or Territory in which it is consumed would not be subject to the provisions of the proposed act, but would be subject to the laws and regulations of the State or Territory. The application of Federal pure-food laws would not be limited by the act, and the enforcement provisions of those laws are specifically cited in connection with the new provisions to be administered by the Administrator of the Federal Security Agency.

In all areas except those adjacent to large metropolitan centers, the dairy producer is dependent on the butter market. The dairy farm lends itself to the most practical type of diversified farming. It is a family-type farm operation, and that is just what we are trying to continue in America, with its individual ownership, individual management, and individual opportunity for the children of a family to assist in the farm work.

We have appropriated hundreds of millions of dollars for soil conservation and soil-building practices. Butterfat comes from dairy farms which, with their acres of pasture lands and legumes, build the soil. A large percentage of oleomargarine is processed from vegetable oils produced from row-crop operations, such as soybean and cotton production, which deplete the soil.

Even in the South, progressive agriculturists have endeavored to establish livestock and diversified farm management in the development of family-type farms. If we now yield to the great pressure of a few large processors of oleomargarine, some of whom are internationally involved—a pressure aided by the Cotton Council—we shall be taking a step backward in respect to the continuance and growth of family farms in this Nation.

I wish to call the attention of Senators to some of the previous statements which

have been made not only by my colleague the Senator from Minnesota [Mr. HUMPHREY] but also by the Senator from Iowa [Mr. GILLETTE] and other Senators, who have called specific attention to the international cartels and international organizations which are hoping to engage or which are engaged in the processing of oleomargarine.

Mr. President, it was just a few years ago that a subcommittee of the Senate Committee on Agriculture attended a hearing at Memphis, Tenn.; and from Memphis we went to Muscle Shoals. While we were examining that plant and the TVA development, some of the soil conservationists took us into the countryside and showed us some farms which had been eroded by row-crop operations in years past. Then they showed us another farm, one of several hundred acres. "This farm, as you see it now, is a much better looking farm unit than it was when we first commenced to work on it a few years ago," they said. "This particular farm you now look upon was as badly eroded as some of the fields you see over on yonder hillside. And nothing very much other than weeds and brush were growing on that long general slope that you are now looking at."

We were on the roadside, looking up over more than half a mile of general slope, and it was then beautifully terraced, and grass was growing on it. Herds of dairy cattle could be seen grazing over the general slope of that countryside, and we saw some excellent, well-improved farm buildings. It was a unit which had been developed or created on land which had been so badly eroded that only a short time before it had been laid aside as useless or waste land. Yet by its rebirth, so to speak, the contouring and reestablishment of grass on the land, and the establishment of a dairy herd, the operators of that farm were bringing about a production from land which at one time had been laid aside as useless. The dairy cow fitted into the picture there. Without the aid of the dairy cow, it would have been useless, and an utter waste of time, for the operators of that farm to attempt to reestablish the fertility of the soil by means of the use of commercial fertilizers and the contouring of the land, because unless the land is tied down with a grass crop, it will erode again as soon as the rains come. But with the grass crop and the hay lands or meadowlands which were furnishing dry legumes and feed for the dairy cows, the operators of the farm were establishing a very profitable unit.

I have cited that case to show how the dairy cow fitted into the picture for the reclamation of some badly eroded land in the vicinity of Muscle Shoals or TVA, in the section of the country from which the President pro tempore of the Senate comes. I could cite many other projects—for instance, some in Arkansas, in Mississippi, and elsewhere in the South—where such reclamation projects or operations involving the reclamation of badly eroded lands have been developed, and where the family type of farm and the dairy are now providing prosperity, opportunity, and hope to the individual farmer or individual family man.

I can cite instances of family men coming before the committee at that hearing and telling how well they were progressing now that they had introduced the diversified type of farming, had ceased growing row crops, and were engaged in animal husbandry or in the care of dairy cows. That necessarily meant that there was a creamery adjacent to that particular farm unit or farm operator's location, in order that he would be able to dispose of the butterfat produced on his farm, because unless such a farm operator is located very close to a large, metropolitan milk-consuming area, he is dependent upon the processor of butter to process the commodity or product of his farm into a salable product.

I have cited these instances in order that we may better appreciate what we shall be confronted with if we take such action as will permit a synthetic product to take the market of a genuine product like butter.

By destroying the butter market we may help a few large processors of the substitutes, but we shall put out of business thousands of small creameries all over the land. There are 348 cooperative creameries and 146 independent creameries in Minnesota alone. These creameries serve the thousands of individual farmers residing in our State who have no fluid-milk market.

The eastern markets are closed to these farmers by the milk-marketing control legislation, which protects the producers in areas adjacent to our great metropolitan centers. I myself could not bring a can of milk into the Washington market this morning, in competition with the milk sent into the Washington market by the producers who operate in this area. I could not do so even if I desired, and even though the milk would qualify as grade A milk, because there is a milk board which has control of this market, as well as of the markets in Baltimore, Philadelphia, and the other Atlantic seaboard cities. For that reason the milk produced in the Midwest in the diversified-farming areas must be separated, the butterfat must be churned, and the butter must then have a market. If oleomargarine takes over that market, what are we going to do with the milk we produce in areas where we do not have a large milk-consuming population or a large milk-consuming market to which to sell our milk?

There are more than 3,500 creameries in this country, employing about 40,000 people. There are only 26 oleo manufacturers, and, according to their own admission, their work force at the present amounts to only 4,619 persons. Thus, 10 times as many workers in dairy plants alone would face cuts in salary or possible lay-offs as a result of the serious blow to the dairy industry which the repeal of regulations on oleo, as contemplated by House bill 2023, is certain to cause.

Union leaders are alive to the danger facing the skilled workers in dairy plants all over the country. Many have telegraphed me concerning the matter.

Ray Johnson, business agent of the Milk Drivers and Dairy Employees Local

No. 32, at Duluth, Minn., has sent me the following:

Our union is definitely on record opposed to the coloring of oleo.

Gene Larson, of Minneapolis, chairman of the International Conference of Dairy Employees, affiliated with the AFL, asks for delay in considering the present legislation, so that his union organization could have time "to prepare ourselves to be in the best possible position to defeat legislation sponsored by the oleo interests."

Eugene R. Hubbard, vice chairman of this group of employees, has sent various Senators the following telegram.

International Conference of Dairy Employees, Division of International Teamsters Union, affiliate of American Federation of Labor, representing more than 100,000 union employees in dairy plants of the Nation respectfully urges your support of Gillette-Wiley amendment to H. R. 2023, now on Senator Calendar. It repeals oleo taxes which protects consumers and dairy industry from imitation of yellow butter, in interstate commerce.

Now, Mr. President, what is the main argument on this question? It has been heard in this legislative Chamber time and again for the past half century. The whole argument involves the restriction on color. Despite all the propaganda that has been circulated, there has been wisdom in the continued restriction of the sale of oleomargarine when camouflaged to resemble butter in every detail. Color restriction does not deny the consumer a food product, nor does it impose a financial burden on anyone. Color adds nothing to the food value of oleomargarine.

The simple fact is that the processors of oleomargarine are attempting to duplicate butter to the last degree. They have, already, successfully incorporated the flavor of butter into the substitute product. They have made oleomargarine resemble butter in texture by adding preservatives. They have packed the oleomargarine in packages made to resemble butter cartons, even to the extent of putting farm scenes and pictures of dairy cattle on them and displaying the word "butter." If they are now allowed to color oleomargarine without restriction, they will have duplicated butter in every detail. There can be only one reason for all this. It is all for the purpose of benefiting from the age-old consumer habit of using butter.

Oleomargarine is not entitled to the yellow color. They claim that oleo has as much right as butter to the yellow color is false. Oleo in this country is largely produced from the oils of cottonseed and soybean. The oleo industry claims it must bleach these oils white because of Federal laws. The real reason is that when cottonseed oils are turned into fat they become grey, and when soybean oils are turned into fat they become green. In order to have a uniform color the oleo manufacturers must bleach out the grey and green colors. It is impossible to produce a natural yellow oleomargarine from domestic oils.

Butter, on the other hand, is always yellow—although at some seasons of the year it is less yellow than at others. That

could be explained in this manner: If cattle are on green pasture, the milk itself will have a yellow tint, and the butterfat definitely will come out quite yellow. If the cattle are on dry feed and have been confined to the barnyard or within buildings, as they must be in the winter months, the butterfat then will not be so yellow. In order to have uniformity, there has been a practice of yellowing the butter, so that the season will make no difference in the shade of yellow when the butter is processed. When color is added to butter it is for the sake of uniformity—not for the purpose of making it look like some other product.

Mr. President, in considering the proposals now before the Senate, H. R. 2023, as reported by the committee, and the substitute sponsored by 25 Senators, we are agreed that the present Federal tax of one-fourth cent a pound on uncolored oleomargarine and 10 cents a pound on the colored product, as well as the manufacturers', wholesalers', and retailers' fees and taxes should be removed. We agree on this simply as a matter of Federal tax policy, but we ought not to be misled by false propaganda which a well-financed lobby has circulated that the 9 $\frac{3}{4}$  cents added tax on the colored product has worked a hardship or added an expense to the consumer. The 9 $\frac{3}{4}$  cents is assessed only against the colored product. When the product is purchased uncolored, the tax is not imposed.

As for the consumer, no one pays the 10-cent tax unless he purchases yellow oleo. The old contention that the home-coloring of oleo is tedious and wasteful no longer holds water. Modern packaging enables a housewife who wants yellow oleomargarine to color it very easily, quickly, and without waste. I may explain why I say that. A small capsule of coloring matter is placed in a 1-pound package of oleomargarine, and all the housewife has to do is to squeeze the pack a few times. The capsule bursts and the coloring matter spreads through the oleomargarine, after which the housewife breaks the pack. In this manner the oleo is as beautifully colored as the processor himself could possibly make it, and the housewife is not required to pay the tax of 9 $\frac{3}{4}$  cents.

I may further say that, once the processor is given the unrestricted right to color the product, without an additional tax because of the coloring, the housewife will pay dearly for the product. The makers of oleo, by reason of its imitating butter, will then bring their price up to about the price of butter, and it will remain there so long as they can find a market. Of course, they will find a market, if the product looks like butter, smells like butter, has the texture of butter, and is branded as butter.

Furthermore, oleomargarine already has been given competitive privileges which are denied to butter. It may be flavored with butter flavor and preserved with a preservative. Neither of these—nor any other extraneous substances—may be added to butter.

Yet, the basic purpose of the 10-cent tax on oleomargarine colored yellow in imitation of butter is not to tax one food

to protect the market of another. Its purpose is intended to protect the consumer, just as our pure-food laws are intended to do, against adulteration and substitution. Fundamentally, there is no restrictive tax on oleomargarine except when it masquerades as butter.

Other imitations of good butter are taxed; why should oleo be exempted? Adulterated butter—which, like oleo, is an imitation of good butter—carries the same per pound tax and the same manufacturers', wholesalers', and retailers' occupational taxes as does colored oleo. There is no reason why an exception should be made for oleomargarine. Or do the proponents of removing all Federal restrictions on yellow oleomargarine intend to come forward with a repeal of the taxes on adulterated or reprocessed butter? Senators have never heard it mentioned. Would such action be in the public interest? The answer, of course, is "No."

It is my prediction that repeal of the present laws, as contemplated by H. R. 2023, would prove costly to the consumers.

Already in the city of Washington, for example, colored oleo has sold on the same day at from 14 to 20 cents a pound more than uncolored brands. A recent national survey shows that in cities where yellow oleo may be sold, its price ranges as much as 30 cents more a pound than white oleo. The average mark-up in nine cities was 21.8 cents a pound. The tax is only 10 cents a pound. It is a product that carries only a tax of 9¼ cents, provided it is colored. Yet, when it is marketed after being colored, and is sold where permitted to be sold, in such States as do not have regulations on the subject, it will oftentimes carry a price, when colored, of as much as 30 cents a pound more, when in reality the tax imposed is only 9¼ cents a pound.

Who gets that exorbitant overcharge? It certainly is not the farmer. No, Mr. President, I assure you that farmers never see a penny of that extra money the consumer pays.

And what will happen to the price of oleo if the present laws are repealed? The production of colored oleo could be expected virtually to displace uncolored oleo. There would be nothing to prevent the colored product from being sold at substantially higher prices than the uncolored—with little or none of the uncolored available. How would that help the consumer?

The touching concern of the oleomargarine interests for the consumer, aided by certain metropolitan newspapers, which have been misled by the so-called housewives' revolt, is about as synthetic as the product they would exploit at the expense of our dairy industry.

The American housewife is being fooled in this fight. Another segment of the public, restaurant patrons, are likely to be fooled, too. In the event all Federal taxes are removed and there are no restrictions on how oleomargarine is to be marketed, it will be used in restaurants where some 60,000,000 meals are served daily. The sponsors of H. R. 2023 propose that the pats of oleomargarine served in public eating places be trian-

gular in shape. By "pats" I refer to the familiar servings of individual portions of butter or oleomargarine on a small dish. The oleomargarine used in a sandwich, of course, would lose its identifying triangular shape, and served in half-pounds or quarter-pounds in a dish on a table it would not have its triangular shape. Very few people would examine the walls of a public eating place for a sign to indicate that they were being served oleomargarine. That, of course, is what House bill 2023 proposes to do. It proposes that there shall be a sign in the restaurant saying, "We serve oleomargarine here." The oleomargarine would have to be served in a small triangular pat to indicate that it was not butter.

If House bill 2023 is allowed to pass, oleomargarine will enjoy every marketing advantage of butter, and the aged taste for butter is in the market that the processor of oleomargarine is striving to capture.

The processor of oleomargarine contends that he has successfully incorporated all of the food and nutritive values of butter in oleomargarine. This question, of course, could be debated at great length. Speaking from my own experience, I know we cannot successfully raise a calf by extracting from the milk all the butterfat and substituting other fats in the same quantity. In nearly all such cases the calf will die. There have been scientific experiments made by some of the leading dairy specialists of the Nation, and their experiments have also proved this to be true.

In a radio broadcast on January 2 of this year, Dr. William E. Petersen, professor of dairy husbandry in the Agricultural College of the University of Minnesota, described experiments conducted at the Minnesota station by Dr. Gullickson.

I know both those gentlemen very well, and I know that Dr. Petersen is one of the greatest dairy specialists and one of the greatest students of the dairy cow in the entire United States.

In this radio broadcast Dr. Petersen described experiments conducted at the Minnesota station by Dr. Gullickson, where various fats have been emulsified into skim milk including butterfat after being taken out of the milk and reemulsified into the skim milk. These various fats put into skim milk—such as butter oil and corn oil, soybean oil, peanut oil, hydrogenated vegetable oil and animal fats such as lard and tallow—have been compared for rates of growth and general well-being of the calves over a period of many years.

What were the results?

Dr. Petersen replied to that question in these words:

The results have been rather striking. It is proven that there is something in butterfat that is not found in any of the other fats because the calves on butterfat have done so much better than those getting an equivalent of other animal fats, but the most striking results of these experiments has been the observation of the vegetable fats when emulsified into skim milk and to resemble whole milk have been toxic to calves. As a matter of fact, all calves on such diets have died, while those that re-

ceived the butterfat emulsified back into skim milk did as well as those that received whole milk.

Those are remarks of Dr. Petersen, the great dairy specialist of the University of Minnesota.

The scientist added that the experiments have not yet revealed what it is in butterfat that makes it superior to other fats. "There are certain things we have eliminated," he stated. "For instance, vitamin deficiency is not the factor as the addition of all known vitamins to these calves failed to prevent the onset of the disastrous symptoms."

I have heard the question asked—in fact, the same question has been asked of me—"Why the contention, if you cannot detect the difference in taste between oleomargarine and butter?" That question was asked me in a Senate subcommittee hearing a year ago, and I simply answered in this manner: "You cannot detect strychnine in milk by the taste, but certainly your stomach will know the difference. Likewise, you cannot detect the difference between butter and oleomargarine as it is now processed, but your stomach will soon detect it, as there are certain oils which can be used in the making of oleomargarine which the body cannot assimilate in the same manner as it assimilates butterfat."

At this point, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter which I recently received from Mr. Henry J. Hoffman, chief chemist of the Minnesota Department of Agriculture, Dairy and Food, who has had wide experience in the problem of enforcement of food laws. I personally served as deputy commissioner of agriculture in Minnesota and had charge of enforcement of the food laws, so that I can speak from personal experience as well as quote Mr. Hoffman's letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA, DEPARTMENT OF  
AGRICULTURE, DAIRY AND FOOD  
Senator E. J. THYE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR THYE: At the request of the Minnesota Dairy Industries Committee, the writer would like to point out the following facts in the butter versus oleomargarine controversy which is now raging.

1. The State dairy commission was originally created in 1885 for the sole purpose of regulating oleomargarine. At that time, oleomargarine was being freely sold in imitation of butter, and the great bulk of oleomargarine sales were as yellow oleomargarine, palmed off as butter. The legislature saw the need of a law which would enable the public to readily differentiate between butter and oleomargarine. Hence, the law was passed prohibiting the coloring of oleomargarine, and this department (then called the Minnesota Dairy Commission) was created to enforce the law.

2. Butter has always demanded a higher price than oleomargarine, and since the public is willing to pay this higher price, they are entitled to reasonable protection to insure that they get the product that they pay for. The public's protection is the distinguishing color between white oleomargarine and yellow butter. The housewife who complains about the effort used to

color her oleomargarine yellow at home would be the first one to complain if she paid the price for genuine butter and received yellow oleomargarine. Experts—chemists, nutritionists, food officials, doctors, and the like—will have little difficulty detecting oleomargarine from butter even if both were yellow, but laws are not enacted for such experts, they are enacted to protect the everyday layman who, not being endowed with sufficient knowledge, is the one who will be defrauded. And such laymen are the great purchasing public, not the few experts.

3. The magnitude of enforcing the law and insuring people that butter was genuine, if yellow oleomargarine was permitted to be sold, would be so great and so expensive that the cost of administrative effort would be prohibitive.

4. There is no value, either nutritional or otherwise, to the color the oleomargarine manufacturers wish to add to their product. Its only purpose is to cause their product to resemble butter. Why do the oleomargarine manufacturers not direct the effort now expended seeking yellow oleomargarine to some worth-while project such as extolling the merits of their pure white product?

5. Most food manufacturers, including oleomargarine manufacturers, make an advertising point of calling to the public attention that their products are free from artificial color and flavor—yet here is a product which is free from such ingredient, yet the manufacturer wishes legislation so that he can add them. How can such controversial ideas be reconciled?

Let it be further pointed out that butter manufacture is the cornerstone of the dairy industry, and that dairying is one of the most important functions of the American farmer. Our whole economic structure is based upon the products of the soil and the producers of such product—the farmer. To permit the wholesale defrauding of the American public in one of the key items of the diet—butter—will, without question, upset the price differential now existing between butter and oleomargarine, and conceivably upset our present economic picture still further. It is true that today the price of butter is high, but let us not forget that oleomargarine, too, has trebled in price. This is a fact which the oleomargarine manufacturers have spent considerable effort in soft pedaling. We should not be concerned so much with price in this controversy, as we should in price differential.

Lastly, it should be pointed out, American manufacturers are constantly extolling the individuality of their products, and through advertising seek to point out the distinguishing features of their products—yet here come the oleomargarine manufacturers who wish to submerge the identity of their product in the shadow of another. They are disinterested in making their product an individual unit, but, rather, would have it be an imitation. When such efforts are made, we should investigate them thoroughly, because, usually, fraud and deceit are coupled with such efforts.

Sincerely,

HENRY J. HOFFMAN,  
Chief Chemist.

Mr. THYE. Mr. President, what are the dangers to the agricultural economy of the United States if we lose the butter market to this synthetic product that looks like butter, tastes like butter, and is sold in cartons that have the appearance of butter cartons?

I hope each Senator will ask himself that question.

The dangers are far more serious than appear on the surface in what, in a narrow sense, is the proposed removal of an excise tax. Since butter accounts for

16 percent of all dairy cash income and is the outlet of 27 percent of all milk produced in this country, most of our dairy-farm leaders are convinced that loss of the vital butter market will mean an agricultural depression.

Certainly, the effect on an important segment of American agriculture will be very serious.

First, in the Midwest our diversified farm operation will be jeopardized. Without the butter market there is no outlet for the products of the dairy farm because, as I have stated before, the great metropolitan fluid-milk markets are closed as a result of existing legislation. The two and one-half million dairy-farm families would be injured in every State in the Union. There would be 40,000 milk-processing plants, and their employees that would be adversely affected. The eventual effect on dairying as a whole would be drastic and would lead to changes in our diversified agriculture.

One of the most serious results of this trend would be the effect on our soil resources by discouraging dairy farming, the most important contributor to sound soil conservation.

The dairy-farm movement has been extended into the South to reclaim land that has long ago been depleted of its top soil by constant row-crop operation. I have visited farms in many areas of the South where the dairy cow is now utilizing the legumes and pasture lands which are helping restore the soil. If we destroy the butter market by the pending legislation, we shall handicap the Extension Service and the Soil Conservation Service of the Department of Agriculture in their endeavors to introduce diversified farming in areas of the South where they have found it is not sound practice to continue to grow the row crops.

If legislation is enacted which does destroy the butter market, we are placing the huge holdings of butter of the Commodity Credit Corporation in a precarious position.

Mr. President, I hope my colleagues will pay strict attention to the holdings which the Commodity Credit Corporation now has of butter, cheese, and powdered milk.

In order to support butter prices in 1949, the Commodity Credit Corporation purchased 115,000,000 pounds of butter at an average cost of only 62 cents a pound. This represented a cost of \$171,300,000, and the Commodity Credit Corporation, in order to further support dairy prices and to maintain dairy prices somewhere near 90 percent of parity, purchased 26,000,000 pounds of cheese at only 12½ cents per pound, and the total sum so expended was \$8,255,000. If we destroy the butter market many of the farmers who are today engaged in growing legume crops and who have many good fertile acres of land in pasture will have to turn to raising another type of crop. That will greatly aggravate our surpluses of corn and wheat, but it will be agreed it will also aggravate the cotton problem in the South. We need only examine the figures to see that we do have a problem.

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I am most happy to yield to the Senator from Vermont.

Mr. AIKEN. Would not the Senator like to point out that the dairy industry of this country, first, furnishes one of the largest single items of tonnage which the railroads and other means of transportation carry? They transport fertilizer to the farms, milk to the cities, and dairy products of all kinds. More important than all else is the transportation of grain to the dairy farmer. I do not know how much grain my small State now uses, but 10 years ago we were importing over 500,000 tons of grain annually into that one small State. When we multiply that by the amount of tonnage that moves over all our roads we can easily see what the effect would be of losing a considerable part of that tonnage. It would mean that a bad situation would be made very much worse, if not even desperate.

Mr. THYE. The very able Senator from Vermont is indeed correct when he says products of the dairy industry constitute one of the greatest sources of traffic which the railroads have an opportunity to transport.

Mr. AIKEN. I should like to point out also that it takes almost five times as much man-labor to make 1 pound of butter as it does to make 1 pound of oleo. When we consider the two or three million people who today are employed in the production of dairy products, who are employed the year around, 365 days of the year, and compare that labor with the seasonal labor which is required to produce oleomargarine, we can form some idea of what the effect will be on our labor supply and on the standard of living of our workers.

Mr. THYE. I thank the able Senator from Vermont for adding those facts to the discussion.

Mr. President, let us examine some of these surplus problems. In 1948 approximately 55,000,000 bushels of corn alone were placed under loan or purchase agreement. The support price was \$1.44, which represents a commitment of approximately \$821,400,000. It is impossible to state how much of this corn the Government now actually owns and how much is still under loan or will be resealed under some future loan. As of November 30, 1949, 19,235,372 bushels of the 1949 crop had been placed under loan or purchase agreement, involving a commitment of \$26,929,000.

If we take a look at the cotton situation we find of the 1948 crop 5,271,772 bales were placed under loan. Of this, 1,490,772 bales were redeemed by the end of 1949, leaving 3,781,000 bales under Government ownership or commitment. The average support price in 1948 was \$158 a bale. Thus there was a total investment of \$597,398,000 in the 1948 crop as of December 31, 1949. That is surplus cotton that is held by the Commodity Credit Corporation, because there is no domestic demand or any exportable demand for it at the time.

What we need to do is to find some way of diverting some of these cotton

acres to some other kind of crop, in order that we may not have the surplus problem in cotton as I have described it. If we increase our corn acreage, we are going to have an aggravated surplus problem on our hands, and we already have a problem of surplus corn. So what we need to do is to expand our dairy industry, and induce more families to engage in dairy farming and soil building, rather than to throw them further into the category of adding to the cotton surplus, as well as the corn surplus. In the event we destroy the butter market, we can rest assured that some of those now engaged in diversified types of agriculture in Alabama, Mississippi, and all the other Southern States, including Arkansas, will turn back to some kind of a row crop, whether it is peanuts, or cotton, or soybeans.

I merely call to the attention of my colleagues that we need to think seriously this afternoon and in the remaining hours or days before we cast our votes on the pending question and decide whether we are going to disrupt our whole agricultural economy, or whether we are going to reject the demand on the part of the oleo processor to be allowed to sell his product competitively with butter, in all its synthetic duplication of butter.

The total investment in cotton of the two crops as of the end of 1949 was \$947,043,350.

If, by destroying the butter market, we stop the trend toward diversified farming and the introduction of the dairy cow into the Southern States we are going to have a greater clamor for cotton acreage quotas and a greater demand to grow cotton than there is at the present time, as I stated earlier in my remarks.

As an example of the reactions of dairy producers to the controversy in which we are engaged, I wish to read a letter from a Minnesota farmer, Mr. N. O. Evenson, of Litchfield, Minn.:

LITCHFIELD, MINN., January 3, 1950.  
The Honorable EDWARD J. THYE,  
Washington, D. C.

DEAR SENATOR THYE: I know that you are doing valiant work in behalf of the American farmer in your stand opposing the oleomargarine interests in pending legislation on this question. I am writing you, thinking you may be interested in receiving some opinions of farmers on this question.

I will make my comments brief; for this reason I will not mention some of the strongest arguments we have regarding the oleomargarine issue, such as the dairyman's rights to the yellow color:

This is a farmer writing to me:

I will confine my letter to some of my thoughts as to how this legislation can effect the consumers, who at present seem to be 100 percent on the oleo side of the question.

First, the coloring of oleo yellow will tend to raise the price of oleo and lower the price of butter. This will reduce the anticipated saving to the consumer.

Second, the dairy farmer is not compelled to keep on producing dairy products.

Give thought to that. He says the butter farmer is not compelled to keep on producing butter products. If he did not continue, I am afraid there would be times in the year when the consumer would be drastically short of fluid milk,

because there are peak and low seasons of production.

To go back to the farmer's letter, he says further:

From our Minnesota Department of Agriculture we learn that there are 7,000 farms in Minnesota that had dairy cows on them in 1940 that do not have any dairy cows in 1949. This trend away from dairying is sure to increase if this bill is passed in its present form.

Third, the consumer should be interested in keeping the young men on the farm, where they are needed to produce food. Every obstacle placed on agriculture tends to increase the drift of farm boys to the cities, where they can have such privileges as the 40-hour week, time and one-half for overtime, etc. We see indications every day that can stop us and make us wonder as to what direction we are going. For an example, a good 120-acre farm with a full line of good buildings was sold recently in this neighborhood for \$12,000. This would only buy a modest modern home in Litchfield or any other town in the land.

I am still farming the farm where I was born, and have a lot of first-hand experience with the problem of farming. In my opinion, the passage of the oleo bill will not only be a disastrous blow to agriculture but it will react indirectly and unfavorably to the best interest of the consumer.

Yours sincerely,

N. O. EVENSON.

Mr. Evenson was thinking soundly on this question.

Mr. President, dairy farmers do not object to fair and honest competition, but they vigorously resent unfair competition from an imitation product. Yellow oleomargarine lends itself readily to fraudulent substitution. Therefore, a law to bar interstate shipment of yellow oleo is eminently fair, since it leaves to the individual States the right to regulate its manufacture and sale within their own borders.

Oleomargarine should be sold as a separate and distinct product with an identity of its own. Had the oleomargarine industry the courage to market its product on its own merits, and not as an imitation of another product, little regulation would be necessary.

Leading dairy and farm organizations favor the repeal of all Federal taxes and license fees on oleomargarine. They urge, however, a ban on the interstate shipment of oleomargarine colored yellow in imitation of butter.

The Gillette-Wiley substitute, which is sponsored by 25 Senators, is designed to accomplish both of these purposes. I firmly believe that adoption of the substitute amendment would be in the public interest.

I most sincerely hope that the substitute amendment will receive the support of at least a majority of the Members of the Senate.

#### STATEMENT BY SENATOR TAFT ON FORMOSA

MR. TAFT. Mr. President, shortly before the first of the year, I expressed the opinion in an interview in Ohio that we should hang on to Formosa and prevent Communist occupation of Formosa, even though it involved the use of our Navy. I did not suggest the occupation of Formosa, nor the sending of any army, or even the sending of any navy. Our Navy is there already, with bases

within a short distance, and its ships are between Formosa and China, as anyone knows who read this morning's newspapers. Formosa is a hundred miles from the mainland and there can be no crossing if our Navy makes it clear that ships carrying troops will not be allowed to cross. In fact, probably there would be no such attempt at all if the State Department made it perfectly clear that we do not intend to permit Communist occupation of Formosa.

The basis of our foreign policy in the last 3 or 4 years, if there has been any consistent foreign policy, is to contain communism where it is and prevent any single step of advance, because success in any such step is certain, considering the character of communism, to lead to another step. We, therefore, sent our military aid and our officers into Greece, although it might easily have involved us in war. We have given military aid to Turkey and to Iran. We have stood firm against Communist advance in Korea and provided the Koreans with large amounts of military aid and American advice. In undertaking the air lift in Germany, we certainly risked war with Russia in order to maintain unimpaired our position in Berlin. We are asked to appropriate billions of dollars to arm western Europe, although there is no evidence that at the present time the Russians contemplate any military attack in that area. We have given notice to Russia, by the adoption of the Atlantic Pact, that if its troops advance across the boundaries of Italy or the American or British zones of Austria or Germany or Denmark or Norway, it will find itself at war with us. In our policy of laying down the law, "this far you shall go and no further" we have not hesitated to risk war. There is not the slightest evidence that Russia will go to war with us because we interfere with a crossing to Formosa. It is hardly possible to see how the Chinese Communists by themselves can begin a war against the United States, or why they should do so.

In China for some reason, the State Department has pursued a different policy from that followed throughout the rest of the world. There is not the slightest doubt in my mind that the proper kind of sincere aid to the Nationalist Government a few years ago could have stopped communism in China. But the State Department has been guided by a left-wing group who obviously have wanted to get rid of Chiang, and were willing at least to turn China over to the Communists for that purpose. They have, in effect, defied the general policy in China laid down by Congress. In recent months it has, of course, been very doubtful whether aid to the Nationalist Government could be effective, and no one desires to waste American efforts. But Formosa is a place where a small amount of aid and at very small cost, can prevent the further spread of communism. Such action does not commit us to backing the Nationalist Government in any prolonged war against the Chinese Communists. We can determine later whether we ever wish to recognize the Chinese Communists and

what the ultimate disposition of Formosa shall be.

As I understand, the people of Formosa if permitted to vote would probably vote to set up an independent republic of Formosa. The status of Formosa, therefore, should certainly be kept free for determination until the peace treaty has been written with Japan. Formosa must be legally a part of Japan, for it is difficult to see how the mere declaration of the President at Cairo or Potsdam can change that status without a treaty. One thing is certain, if the Communists take over Formosa, we will have just as much chance of setting up an independent republic of Formosa as we have of returning the western German provinces from Poland to Germany. We know that the Communists will give up nothing which they have occupied. Certainly, we do not desire or intend to undertake an aggressive war to recover land the Communists have occupied. On the other hand if, at the peace conference, it is decided that Formosa should be set up as an independent republic, we certainly have the means to force the Nationalist's surrender of Formosa.

The President's statement on January 5 follows the usual course of setting up a straw man and then proceeding to knock him over. He said:

The United States has no predatory designs on Formosa or on any other Chinese territory.

No one has suggested that it has.

The United States has no desire to obtain special rights or privileges or to establish military bases on Formosa at this time.

No one has suggested that it has such a desire.

The United States Government will not pursue a course which will lead to involvement in the civil conflict in China.

The course suggested will not lead to any such involvement, although, of course, we have involved ourselves in the civil conflict in Greece, in Korea, and elsewhere. When the President, however, says, "Similarly, the United States Government will not provide military aid or advice to Chinese forces on Formosa," he is departing from the policy pursued by us in every other part of the world where the question is whether communism shall be checked. While he states that we will continue the present ECA program of economic assistance, it is quite clear from the past course of the State Department that they have not the slightest intention of giving such assistance in any effective way in such a manner as to assist the occupants of Formosa and defeating a Communist attack.

Those who argue against any action in Formosa are curiously inconsistent. The distinguished Senator from Texas shudders at the possibility of war, although the chance we are taking is 1 in 10 compared to that we are taking in Europe today.

One columnist fears that any action in Formosa different from exactly the action of the State Department would antagonize the leaders of India and Indonesia. His theory seems to be that the way to stop communism in India is to permit it to move into Formosa. That

is an exact reproduction of the argument used in support of the policy of Munich. Strange to say, the same columnist is all for extending aid to Burma and Indochina against Communist attack, although it is infinitely less practical and more expensive and difficult than the maintenance of an independent Formosa.

Another columnist argues that if we do not immediately extinguish the Nationalist Government, Red China will not be able to demobilize to carry out economic reconstruction. Therefore, he argues, we should recognize the Communist government. Whatever may be the arguments for such recognition, it is quite certain that it will in no way tend to reduce the armies of the Chinese Communists. Russia has continued to maintain a huge army, although it is faced with no threat of invasion whatever. I think it is safe to predict that it will be many years before the Chinese Communists reduce their armies by one soldier, because only by those armies can they possibly hope to control China.

The question of the containment of communism is largely a practical one. The only reason so much heat has been engendered about the Formosan situation is the bitter resentment of the State Department and its pro-Communist allies against any interference with its policy of liquidating the Nationalist Government.

No two men are more familiar with the Far East than General MacArthur and former President Hoover, and both of them are able to see the obvious military and political facts of the situation. Here is a small area of the world where, with no difficulty or expense, we could prevent the spread of communism to an island which might be of great strategic value and whose people desire to be independent.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. KNOWLAND. I should like to know if the able Senator from Ohio is familiar with the press dispatch which came over the teletype a short time ago, and which I now wish to read into the RECORD as follows:

WASHINGTON.—Two Democratic Senate leaders today rejected a Republican demand that the Joint Chiefs of Staff be called to give Senators a report on the strategic value of Formosa to America's far-eastern defenses.

Chairman CONNALLY of the Senate Foreign Relations Committee and Chairman TYDINGS of the Senate Armed Services Committee both turned thumbs down on the proposal made by Senator KNOWLAND.

KNOWLAND said he plans to place his request in writing before the armed services group. But TYDINGS said this was a matter for the Foreign Relations Committee to handle.

And CONNALLY told a reporter: "The President already has made his decision on Formosa. I have no intention at present of asking the Joint Chiefs for their views."

CONNALLY said the Joint Chiefs are due to visit the Far East next month. After their return, his committee may ask them to make a report—but not before.

KNOWLAND wants to know if the State Department and the President had the views of the Joint Chiefs of Staff and other military experts before arriving at the hands-off decision on Formosa.

The President announced last week the United States will not give military aid or advice to the defenders of the big island which is the Chinese National Government's last stronghold.

CONNALLY told a news conference yesterday the committee might call on the Joint Chiefs and Secretary Johnson for a report on the far eastern strategic situation.

But he made it clear this morning he plans no action at present in this direction.

"It would serve no good purpose to call them at this time," CONNALLY said. "I am satisfied the President made his decision with the full knowledge of all the facts involved."

I should like to ask the Senator whether he knows of any way the Congress of the United States can come to sound decisions in connection with the performance of its constitutional obligations in meeting the defense needs of the Nation and in helping to formulate foreign policy, if the Congress is to be denied information to which it is entitled and upon which it could base those judgments.

Mr. TAFT. No; I think Congress is entitled to such information, and must have it in order to reach sound judgments. Of course, the strategic importance of Formosa is something upon which I have not undertaken to pass in my statement. I do not know. But obviously its strategic importance is a vital factor in the determination of the Formosan policy; and obviously the Joint Chiefs of Staff should be listened to; and obviously we should have the best possible advice on the question of whether Formosa is a strategic place, from the point of view of war.

Mr. KNOWLAND. I merely wish to say, as one Senator who is not a member of the Foreign Relations Committee, that I hope the committee will press for an answer to these questions.

As a member of the Armed Services Committee, despite the quotation of the chairman of the committee to which I have referred—and I hope he is not correctly quoted in the article appearing today—I intend to bring that matter before the Armed Services Committee. I think it is one which vitally affects the defenses of the United States. But if we cannot succeed, through either of those committees, we shall make every effort to do so through the Appropriations Committee, when the National Defense Establishment comes before us for funds to support Okinawa and other bases in that area of the world, and when there is good reason to believe that the loss of Formosa into unfriendly hands may jeopardize our strategic position in our other island defenses. In one of those committees we certainly intend to get the answers to these questions.

We certainly did not get the answers to the questions in the Foreign Relations Committee yesterday.

Mr. TAFT. Mr. President, it seems to me that we certainly should have the best advice in regard to what the military facts are. I see no reason why we should not demand that they be given to us, entirely apart from what the foreign policy of the State Department may be.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Ohio yield to the Senator from Michigan?

Mr. TAFT. I yield.

Mr. VANDENBERG. As I have said before, Mr. President, I do not wish to enter this debate until all the facts are available. My interest has been in the development of the facts.

I know nothing about the authenticity of the statement read by the Senator from California [Mr. KNOWLAND]; but, in view of its purport, I must say, with the greatest respect to my distinguished colleague, the chairman of the committee, that so far as I am concerned, I cannot feel that I have obtained adequate information in respect to the facts, without the testimony of the Defense Establishment in general, and of the Secretary and of the Chief of Staff in particular. So far as I am concerned, I would consider that testimony to be not only pertinent, but indispensable.

Mr. SALTONSTALL. Mr. President, will the Senator yield, to permit me to ask a question?

Mr. TAFT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator has expressed himself in regard to the defense of Formosa, and so forth. Perhaps the question I shall ask is a little beside the point; but inasmuch as the Senator is still on his feet and has spoken on this subject, I should like to ask him a question on a subject which was discussed the other day by the Senator from New Jersey [Mr. SMITH]. Has the Senator from Ohio given any consideration, as a Senator and as a lawyer and as a citizen, to the title, let us say, to Formosa at the present time? Does the Senator consider Formosa to be a possession of the Nationalist Government, a part of China, or an island whose final disposition awaits further treaties and further discussions of Formosa?

Mr. TAFT. It seems obvious to me that legally Formosa was a part of Japan for 50 years, and was so recognized by the world. I do not know how that status could be changed, except by treaty. I do not think it could be changed by Presidential declaration at Cairo or Presidential declaration at Potsdam. Whatever its status, I think it is something different from the status of the mainland of China. I think that is entirely clear.

So I think we are entirely free, when we participate in the treaty with Japan, and I think the other nations participating in the treaty are entirely free, to set up an independent Formosa. I do not think our hands are necessarily tied by any other action taken by the United States.

Mr. SALTONSTALL. Then, is it the Senator's opinion, from his knowledge of the law and of the general situation, that Formosa cannot be turned over to the Chinese Nationalists by any surrender agreement or papers signed there?

Mr. TAFT. No; I think they are merely in possession there today, by general consent. But I cannot see how China, whatever China is, has yet acquired any legal title to Formosa.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. FERGUSON. The first answer which has been given would, it seems to me, indicate the correct view, for otherwise would it not be possible, and even probable in this case, that we would find ourselves, so far as Germany and Japan were concerned, in the position that secret agreements had been made at some of the conferences, and therefore the entire peace had already been determined, and there would not be anything for the peace treaty to take up?

Mr. TAFT. I do not think we can admit—whatever the moral obligations may be—that we are in any way legally bound by declarations of the President, either in secret or made openly, as to the disposition of different parts of the world.

Mr. FERGUSON. Is it not one of the purposes of the provision of the Constitution which calls for ratification by the Senate of peace treaties and all other treaties, that there must be formal action by both the President and the Senate in passing upon questions which might involve us in war?

Mr. TAFT. Yes; I agree with the Senator.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I came into the Chamber just at the end of the Senator's remarks. Of course, I was very much interested in them, in light of the position I took here a few days ago.

I shall say to the Senator, if he will permit me to do so, that the proposition I discussed 2 days ago was based upon the assumption—and apparently the Senator from Ohio makes the same assumption—that until the peace treaty is signed, there is a question about the status of this particular part of the world.

Mr. TAFT. That is as far as we have to go.

Mr. SMITH of New Jersey. Yes; that is as far as we have to go.

Mr. TAFT. Because if there is a question, we at least should keep the field open, so that we can decide that question as it should be decided. But once the Communists are there, we shall no longer be a free agent in respect to deciding that question, unless we are willing to undertake an aggressive war.

Mr. SMITH of New Jersey. Then the Senator from Ohio will agree with me, will he not, that there is a responsibility on the part of the United States, if there is a question as to whether Formosa is or is not a part of Japan, to see that the status quo is preserved, for the protection of everyone concerned—the people of the island, the Chinese Nationalist Government, the Communists—if they have any rights there—and ourselves and our own interest?

Mr. TAFT. I agree with the Senator.

Mr. SMITH of New Jersey. I thank the Senator from Ohio.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BREWSTER. The Senator has suggested a very interesting question which, I take it, referred to the powers of the President of the United States in time of war to make agreements of a military character. I take it that question is to some extent implicit in this problem.

I do not know to what extent hitherto that has been a matter of concern; but is it not obvious that if the principle of the power of the President to make, in time of war, agreements of primarily a military character, in return, let us say, for the entrance into the war, at a certain time, of a particular country, in return for which the President has promised certain territories, can be established, then, despite the provision of the Constitution, as it is stated very plainly in section 2 of article 2, namely—

He—

That is to say, the President— shall have power, by and with the advice and consent of the Senate—

And I labor the word "advice" somewhat—

to make treaties, provided two-thirds of the Senators present concur—

The President's power will be unlimited, will it not?

If there is no limit on the Presidential power to make agreements in time of war, then the entire function of the Senate in that respect might easily be eliminated. Is that correct?

Mr. TAFT. Yes; I think so. The President has rather encroached already on the powers of the Senate; and now a good many things which used to be done by treaty are done by agreement.

But certainly the disposition of the territory of another nation is something which still must be done by treaty, and cannot be done by executive agreement. If we admit any such power to proceed by way of executive agreement, we certainly very much curtail the powers given to the Senate by the Constitution.

Mr. BREWSTER. And is it not highly important that the Senate, if it has any regard for the importance of its constitutional functions, should see to it that there is some determination of this right, before we completely surrender it, particularly since we now have involvements in so many sections of the world? Moreover, are we not now still at war?

Mr. TAFT. I do not know that we are at war. We have not yet disposed of the questions arising from the war. I suppose that technically we are still in a state of war, for the purpose of many statutes and for various other purposes. For some purposes, I would think we are not at war.

Mr. BREWSTER. If in a time of actual hostilities the Presidential power were established to make agreements which would bind us, might not it be possible that then we could easily move into a twilight zone—whether we call it war, or regardless of what we call it—in which the President could continue to assert the right to make agreements which would bind the country under certain eventualities, if we continued to permit this encroachment upon the power of the

Senate and this expansion of Presidential power?

Mr. TAFT. Yes; I think that is true.

Mr. SALTONSTALL. Mr. President, will the Senator yield at this point?

Mr. TAFT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. So as to carry out what the Senator has just said to the Senator from Maine, and to bring the matter to a logical conclusion, let me ask this question: In a case in which our country has been at war with another country, and the other country has surrendered, its title to its possessions cannot be turned over to another country without the consent of the Senate, can it? Is not that a logical conclusion?

Mr. TAFT. Yes; I think that is a logical conclusion.

FEDERAL RENT CONTROL—TELEGRAM TO GOVERNOR DEWEY BY SENATOR CAIN

Mr. CAIN. Mr. President, the junior Senator from Washington felt constrained yesterday afternoon to send a telegram to the Governor of New York State. I wish to read the telegram, which speaks rather plainly for itself, and to draw its substance to the thoughtful consideration of my colleagues. It reads as follows:

WASHINGTON, D. C., January 10, 1950.

GOV. THOMAS E. DEWEY,

Albany, N. Y.

DEAR GOVERNOR: The New York Times of Monday, January 9, carried a front-page story by its Albany correspondent, Leo Egan, in which it was stated that you and your advisers are considering the advisability of replacing the prevailing Federal rent law in the near future with a State rent-control system. It would not be proper for me to say that rent controls have outlived their usefulness in New York State because I am not familiar with the facts in your area of jurisdiction but I am qualified to venture a prediction that President Truman's request for an extension of the 1949 Rent Act beyond its termination date of June 30, 1950, will be denied by a majority of the Republicans and Democrats in the Congress. Those of us in the Congress who have considered the rent-control question since 1946 to be an economic rather than a political problem are now completely certain that we can defeat the proposed extension of the Federal law by using only the economic facts which have resulted in those scores of American communities of all sizes which have been decontrolled in the last year. Those for whom I speak will use every conceivable legitimate means including whatever time is required to prevent the Federal Government from any longer mismanaging and interfering with the property rights of American citizens throughout the Nation. It is unrealistic to assume that the Congress will authorize Federal rent controls for the beginning of our new half century. If there are isolated communities in America which can establish a proven need for continuing rent controls those communities or their parent States must be charged with a full responsibility for managing their own affairs. New York City may be an exception to the general rule that only good will result from the decontrol of rents. In practically every instance where a city of any size has been decontrolled the following benefits to the community have been in evidence: Restoration of the historic American right of free collective bargaining between tenant and owner, large numbers of locked-up rental units have been returned to the rental market, large numbers of homes

previously held for sale only have become available to tenants, rental units have been released by tenants who have purchased homes, residential construction has been accelerated as have the sales of homes, and existing rental accommodations have become rapidly more attractive because the owners have remodeled, repaired, and redecorated their facilities. These are benefits which every State and community must desire. These are but some of the benefits which have come to decontrolled American communities and the case histories of the communities in question will be used by reasonable Members of both parties in the Congress to make certain that there will be no extension of the Federal rent law beyond June. In wiring you of my conviction that an end to Federal rent controls is certain I hope that I am rendering a constructive service to you and to every other State in the Nation. Those in the Congress who feel as I do want no State or community to say in coming months that they hadn't been informed that Federal rent controls would expire on the last day of June. When President Truman requested an extension of Federal rent controls as being necessary for another year he indicated to me at least that he knew distressingly little about the history of the problem, and continues to ignore and disregard the economic facts involved. I take it to be a foregone conclusion that Mr. Truman's own party in the Congress won't support the President's demand. The time is long overdue when New York State and every other State in the Union ought to be completely accountable to their citizens for the fundamental and important issues involved in the management of their private-property-rights question. I am certain that every State will attempt to rid itself of all rent controls everywhere at the earliest possible moment. If the Federal Government is permitted to extend rent controls into our new decade those restrictions against property rights will probably remain forever. Congress is possessed of too much common sense and sense of simple justice to permit this to happen. I would urge you and your legislature to do what it thinks is right for New York State without any further dead-hand control by the Federal Government. With cordial best wishes for your happiness and success in the new year.

HARRY P. CAIN,  
United States Senator.

REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Mr. LANGER. Mr. President, I wish to address myself very briefly to the consideration of the bill H. R. 2023, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

At the Democratic Convention, which I was not privileged to attend, but to whose proceedings I listened over the radio, I remember very distinctly that about 2 o'clock in the morning President Truman, in the course of his address to the convention, stated that the farmers of the United States would be guilty of ingratitude if they did not vote for the Democratic ticket nominated at the convention. He went on to say that labor likewise would be guilty of ingratitude if it did not support the Democratic ticket. Apparently the farmers of the country took the President at his word.

I have before me the official returns of the election, showing that the dairy State of Colorado cast its six electoral votes for Mr. Truman for President of the United States, because the Democrats received a majority of the votes of the State of Colorado. As one reads through the list he finds Idaho, with 4 votes in the Truman column, Iowa with 10, Minnesota with 11, Montana with 4, Ohio with 26, Utah with 4, Washington with 8, Wisconsin with 12, and Wyoming with 3. It is simply a matter of arithmetic to conclude that if we total those electoral votes, deduct them from the 383 votes the President received, and add them to the 189 Governor Dewey received, the Republicans would have won by an electoral vote of 272 to 220.

Mr. President, before I go into the merits of the oleomargarine bill itself, I wish very briefly to address myself to the broken promise made by the Democratic Party, year after year, that they were going to enforce the Sherman Antitrust Act. During the course of the debate yesterday, the distinguished Senator from Arkansas [Mr. FULBRIGHT], as shown on page 261 of the RECORD, said:

Mr. President, I should like to quote it for the Senator's information at this time. It is not very long. I read from page 64 of the report of the Federal Trade Commission on the concentration of productive facilities, 1947. This is the statement of the Federal Trade Commission.

I am simply quoting what was said yesterday by the distinguished Senator from Arkansas. He proceeded to quote from the report of the Federal Trade Commission, as follows:

"The pattern of control in the processing and marketing of dairy products is rather similar to that of the meat-packing industry. Before World War I the dairy-products industry was made up of small local units, either independently owned or under cooperative control. The contrast between the past and the present state of concentration is perhaps more striking in this field than in any other manufacturing industry.

"As the concentration curve for the industry shows, the two leading dairy corporations, National Dairy Products Corp. and the Borden Co., clearly dominate the industry, holding 27.5 and 21.4 percent, respectively, of the industry's net capital assets."

There is nothing comparable to this in the field of margarine manufacture. That is my statement. I continue to read from the report of the Federal Trade Commission:

"Thereafter the slope of the curve becomes much more gradual, with the third firm, the Carnation Co., holding 6.9 percent and five other corporations, with assets ranging from 2 to 4 percent of the industry's total, owning an additional 15.5 percent. Thus the eight largest firms control 71.3 percent of the total net capital assets of all corporations operating primarily in this field.

"Even these figures, however, substantially understate the degree of concentration affecting the ultimate consumer. This understatement stems from two factors: (a) Within the broad industry groups, concentration is frequently higher for important individual products; and (b) many of these individual products are highly perishable and can only be shipped within a limited market area, a circumstance which frequently results in a higher degree of concentration in local markets than is true of the country as a whole."

So, Mr. President, what do we have? What have the American people got after all these years of Democratic rule in this country? The great Democratic Party, which says it is for the little fellow, which accuses the Republicans of representing large corporations, has done nothing to prevent monopolies. We find the distinguished Senator from Arkansas [Mr. FULBRIGHT] quoting the Federal Trade Commission and showing the few companies which he enumerated having control of 71.3 percent of the dairy industry.

I stood upon this floor only a few months ago protesting the nomination of the leader of certain trusts to be Ambassador to Argentina. The President chose a man for that position who had raised the price of ice cream and milk to little children. The great Democratic Party brags about representing the little fellow, the poor man, but it picked the greatest monopolist of them all, a man who had organized the dairy industry which, in 1 day, in three States, grabbed all the manufacturing plants and formed them into a monopoly, and he has been nominated as Ambassador to Argentina.

I ask this question, Mr. President: Whom have the Democrats named to be general manager of all their Jefferson-Jackson Day dinners? Out of the 150,000,000 people in the United States, Mr. President, whom has the Democratic Party chosen? I shall give his name in a few moments, but before doing so I wish to make it very plain that in behalf of the American people we are dealing today with perhaps the largest trust, the largest monopoly, in the world.

I hold in my hand a copy of Fortune magazine for December 1947. I want to read the first four lines of an article entitled "The World of Unilever":

Seen from the Old World, the United States is a commercial paradise, where almost every prospect pleases and only Tom Clark annoys. It is the one place in the world where only crackpots want to nationalize industry.

I call the attention of every Senator upon the floor to the first three lines which I have read:

Seen from the Old World, the United States is a commercial paradise, where almost every prospect pleases and only Tom Clark annoys.

At that time Tom Clark was Attorney General of the United States, Mr. President. He had brought various antitrust suits under the Sherman law. The Sherman Antitrust Act was passed in 1891. The years 1891, 1892, 1893, 1894, 1895, went by, and not a single monopolist was put in jail. 1910, 1920, and 1940 passed, yet, under an antitrust statute over 50 years old, not one monopolist was put in jail. I could forget it if the Republicans did not put anyone in jail, because the opposition has always said the Republican Party was the party of the trusts. If we go out among the people it will be found that the Democrats have given the Republicans that reputation.

But in 1932 the Democrats took over. They said they were going to protect the little fellow, the poor man. I heard, over the radio, their candidate for President say that time and time again,

Did the Democratic Party put in jail any of the monopolists who were robbing the American people? Not one. Were any monopolists put in jail in 1934? Not one. Were any of them put in jail in 1935? Not one.

In 1936 we again heard the Democrats say upon the hustings, "We are the party of the little fellow. We are here to protect the consumer."

According to the speech of the distinguished Senator from Arkansas [Mr. FULBRIGHT] yesterday, certain corporations have made one combination after another, but, as yet, none of the monopolists have been jailed.

What has the Democratic Party been doing, Mr. President? The people took them at their word in 1936, and monopolies grew and grew and no monopolist was jailed in 1936, in 1937, in 1938, or in 1939.

In 1940 there was a request for more appropriations. Representatives of the Department of Justice said they did not have enough money. So the Senate gave them practically all the money they asked for in order to carry out the antitrust statutes. What happened?

There was another election in 1940, and again and again we heard the candidate for the Presidency tell the people that the Democratic Party was the only salvation of the poor man; that it was against the wicked, terrible trusts which were supporting the Republican Party, and that if the Democratic Party was voted in, what would it not do to those trusts. But 1941 went by, and no monopolist was put in jail. The years 1942 and 1943 went by, and still the antitrust laws were not enforced.

I now come to 1944, when again the Democrats repeated upon platforms all over the Nation that they were going to put monopolists in jail if the people would only once more entrust them with that power.

There is not a Senator on this floor who can name one man who was put in jail for a violation of the antitrust law up to 1946. Not one man was put in jail. The only one who was put in jail was Eugene Debs. He was put in jail, not in the enforcement of the Antitrust Act, but because of the violation of an injunction.

Now we come to the oleomargarine matter. As was stated by the distinguished Senator from Minnesota [Mr. HUMPHREY] yesterday, one of the greatest monopolies of all time is the one which is going to benefit in case the pending bill becomes law.

A year ago, Mr. President, when it looked as though we might repeal the tax on oleomargarine, this great monopoly, together with the Best Foods Co., who had sold one of its subsidiaries to it, and who controlled the price of oleomargarine in 3 weeks, raised the price by 23 cents a pound. If that is not true, let someone refute it. Where was this great Democratic administration then? Was anyone arrested?

One of the principal arguments at that time was that butter was too high in price. The argument was that it was so high that a poor man could not buy it. The price of butter was 70 cents, 75 cents, 80 cents, and 85 cents, up to a

dollar a pound. The price of butter went up and up. They said, "We want oleomargarine." Yet, I repeat, when it looked as though the measure was going to pass and the tax would be taken off oleomargarine, three companies got control of oleomargarine all over the world. They did it almost in the twinkling of an eye, and the price of oleomargarine jumped 23 cents a pound.

Is that the way the Democratic Party protects the poor people? Is that the way the Democratic Party protects the consumer?

Only a short time ago President Truman said that the farmers would be guilty of ingratitude if they did not vote the Democratic ticket, yet today we find the Democratic Party double-crossing the dairy farmers in the States which I have named, and which voted for them. The Democratic Party is double-crossing them—for whom? Why, Mr. President, for the greatest monopoly that ever existed in the world.

Referring again to the Fortune magazine article for December 1947, let me give Senators some idea as to how large this organization, this monopoly, is. I do not desire merely to gloss over, or not to go into detail. The Senator from Minnesota described it pretty well yesterday in his speech on the Senate floor, but I desire to go into a little greater detail, to point out exactly who will be benefited if the pending measure shall be enacted. This measure is going to hurt agriculture and the farmer. Whom is it going to help? As I have said, the Senator from Minnesota covered that pretty well yesterday when he mentioned this monopoly. Now let us go into some of the details of it.

Referring now to page 88 of Fortune magazine for December 1947, it says:

This industrial omnium-gatherum—

Referring to Unilever, this corporation, this monopoly—

is built on as homely and vital a raw material as it is possible to find—on what is known redundantly as fats and oils (an oil is a liquid fat). The fats are extracted from vegetables like peanuts and coconuts, and from animals like cows, pigs, and whales. People encounter them most commonly in butter, margarine, lard, and soap, and without them, as without grain, people obviously would have a tough time getting along. Unilever is the biggest single factor in the world supply of fats and oils, purchasing and processing more than 2,000,000 of the 5,800,000 tons of fats and oils normally finding their way into world commerce.

There we get an idea as to how big this corporation is, Mr. President. It controls 2,000,000 of the 5,800,000 tons of fats and oils in all the world. I continue reading from the article:

It makes no butter—

"It makes no butter"—

and renders little lard, but it manufactures more soap and margarine than any other company—about two-thirds of the soap used in the British Empire, and about 12 percent of world consumption; about 75 percent of the margarine eaten in Europe and about 40 percent of world consumption (outside Russia). Even in 1946, with supplies far short of prewar and rationed almost everywhere, Unilever turned out 750,000 tons of soap and 560,000 tons of margarine, for which it received the equiva-

lent of \$445,000,000. In crushing palm kernels, copra, peanuts, and other oil-bearing raw materials, it was left with 1,256,000 tons of residues, which it sold as cattle feed for the equivalent of about \$67,000,000. It also processed and sold nearly 600,000 tons of oils to other manufacturers and the Government for \$144,000,000. Despite its dominant position in the Empire and on the Continent, Unilever feels compelled to promote and advertise its products as no others in the industrial canon are promoted. It was before the war, one of the world's biggest advertisers, spending almost \$50,000,000 to sell products like Stork and Blue Band margarine, and Lux, Lifebuoy, Rinso, Persil, and Sunlight soap.

But the basic fat and oil products account for only 60 percent of the company's turn-over. Unilever also does at least a \$25,000,000 business in canned goods, of which some \$12,000,000 is in canned peas. Before the war it sold more than \$7,500,000 worth of Wall's ice cream (in Britain), most of it through white-clad vendors on tricycles bearing the legend "Stop me and buy one." It owns MacFisheries, Ltd., of Britain, the world's largest chain of fish stores (356), which last year sold about \$35,000,000 worth of fish and game. Besides dozens of other products, it sells more than \$35,000,000 worth of toothpaste (Pepsodent and Solidox) and perfumes and cosmetics. It owned paper and textile mills in Germany, and is half owner of Thames Board Mills, the U. K.'s largest paperboard maker.

Now I shall take this company to Africa, Mr. President, to Africa, where 20 cents a day is paid for labor. We find Senators on this floor saying they are for the pending bill, but we do not find the CIO or the A. F. of L. here fighting for the farmers. They are not lifting a hand. So far as American farmers are concerned, they are abandoned by labor.

Some of us who come from the dairy States find that we have been unable to get any support of any kind from labor in this fight. Perhaps some of the labor leaders are here, within the sound of my voice. The time will come when labor will need the farmer again, and while I will not say it will be refreshing, at least one will have the satisfaction of saying, "When our backs were to the wall, where was labor?"

So I want to take this company over to Africa, where 20 cents a day is paid to a laboring man to compete with the farmers of the United States engaged in the dairy business.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I know the Senator from North Dakota, with his demonstrated friendship for the workmen of this country, would like to know that at least one section of the American Federation of Labor has been in support of the Wiley-Gillette substitute. Men and women working in the creameries, those who drive the milk wagons, trucks, and so on, have, through their labor organizations, supported the substitute. The branch of the American Federation of Labor known as the teamsters' union, and other American Federation of Labor unions have supported us in this fight against the monopoly the Senator is so well describing, and against this kind of what we might very well call attack upon small business enterprises. I simply

bring that to the Senator's attention so that the record may be clear.

Mr. LANGER. I thank the distinguished Senator from Minnesota. I am delighted that Dan Tobin of the teamsters' union, and his union, and other A. F. of L. unions are with us in this fight. I am delighted to have the RECORD show that fact.

Let us now go over to Africa, where this monopoly also operates. I quote from Fortune magazine of December 1947:

Unilever's most extraordinary excursion into other fields arises from its quest for raw materials. The United Africa Co., a huge wholly owned subsidiary that accounts for just about a quarter of its consolidated sales, not only grows oil palms and buys raw materials of all kinds from the natives of West Africa and the Congo, it sells everything salable to them. It is, as a matter of fact, the world's largest trading company. An article in a later issue will be devoted to its chromatic activities; suffice to say here that through U. A. C. the Unilever organization finds itself right in the middle of one of the world's most explosive race situations—besides running one of the largest General Motors overseas distributorships, a shirt factory, a full-sized steamship company, and one of the biggest stores in Istanbul.

Mr. President, I have a definition of this company given by the London Economist. This is what the London Economist says about the monopoly which is trying to force the farmers of the United States out of the dairy business:

The Unilever combine and communism—

These are not my words, Mr. President. These are the words of the London Economist, one of the most conservative newspapers in England.

The Unilever combine and communism have not a few points of similarity—in a strictly business sense. That combine is governed by committees innumerable. It controls the working life of the vegetable-oil industries almost as completely as the Soviet monopolizes the working life of the Russian people. It embraces every activity from the production of the raw materials to the retail selling of finished product. And, curiously enough, both Soviet and Unilever catch whales in the Antarctic. For the investor and economist, however, the significant feature is that the more enlightened and efficient Unilever and the Soviet become the more difficult it is to investigate their operations and to analyze their accounts.

Mr. President, is it not strange that even a United States Senator cannot find out what companies are included in this merger? I tried and tried; I went to every source possible in Washington, and I was unable to find anywhere, in any book, a list of the various companies that are amalgamated and affiliated, which are subsidiaries of this giant monopoly. I received some 45 names.

A few months ago I placed in the RECORD the report of the death of the president of this company, who died in Minneapolis, Minn., while there on a visit. In the Minneapolis newspapers appeared an obituary. The obituary contained the statement that he was the president of 613 companies, different corporations, and that they were doing business in 40 different countries.

Mr. President, who have the Democrats chosen to be chairman of the Jef-

erson-Jackson Day dinners? I will tell the Senate in a moment. The Democratic Party, which says it is for the little people, has chosen to handle the Jefferson-Jackson Day dinners a man whose name I shall give in a moment. I shall show how the Democratic Party picked him out of 150,000,000 people. The party which says it is against trusts and against monopolies has chosen for this purpose a man who heads a great monopoly.

I read again the quotation from the London Economist:

The Unilever combine and communism have not a few points of similarity—in a strictly business sense. The combine is governed by committees innumerable. It controls the working life of the vegetable-oil industries almost as completely as the Soviet monopolizes the working life of the Russian people. It embraces every activity from the production of the raw materials to the retail selling of finished goods. And, curiously enough, both Soviet and Unilever catch whales in the Antarctic. For the investor and economist, however, the significant feature is that the more enlightened and efficient Unilever and the Soviet become, the more difficult it is to investigate their operations and to analyze their accounts.

Mr. Plummer, in his book, International Combines in Modern Industry, has this to say:

The truth of the last sentence becomes patent when we try to trace the combine's ramifications through to the subsidiaries. In England, for instance, Unilever, Ltd., controls English Margarine Works, Ltd., and the British section of the Van den Bergh undertaking, through which it controls Meadow Dairy Co., Ltd., which in turn controls Pears Dairies, Sherry's Dairies, Brough's Tea, Ltd., and Neale's Tea Stores. Unilever, Ltd., also holds a substantial interest in Home and Colonial Stores, Ltd., through which it is linked with Allied Stores, Ltd., Liptons, Ltd., and Maypole Dairy Co., Ltd., and, through the latter, with Maypole Margarine Works, Palmine, Ltd., and British Oil Works. This is but a sketch of the combine's English interests, and it is no more than a corner of the whole vast area of its ramifications, for it controls the major part of the margarine industry of Europe, and had interests in oil-crushing and refining factories and allied industries, with their distributing organizations, in Britain, Holland, France, Belgium, Germany, Norway, Sweden, Denmark, Italy, and the Dutch Indies.

Here we have a man heading a great monopoly chosen by the Democrats, who love the common people, to manage the Jefferson-Jackson Day dinners this year. I will give his name in a moment. I continue to read from Mr. Plummer's book:

The combine's West African interests are in the care of the United Africa Co., Ltd., in which the combine holds 80 percent of the share capital and a dominant proportion of the voting power. Moreover, the United Africa Co. holds, directly or indirectly, controlling interests in no fewer than 66 companies carrying on operations in different parts of the world.

Altogether there are now 616 companies controlled by this combine. At the time its president died the combine controlled 613 companies, and 3 more have been added since. Since I made my last speech on the subject 3 more companies have been included making the total 616.

Alfred Plummer in his book entitled "International Combines in Modern History," published by the Pitman Publishing Co., New York City, 1938, had this further to say:

As an example of a great international trust recently in the public eye we may cite Unilever Ltd., which was registered in November 1927 as Margarine Union, Ltd., and having acquired all the ordinary share capital (£6,500,000) of Lever Bros., Ltd., it changed its name to Unilever, Ltd., in September 1929. This combine includes Van den Berghs, Ltd., the well-known dealers in margarine and similar products, incorporated in 1895, with a capital of over £3,000,000. For many years there was stiff competition between Van den Berghs, Ltd., and Anton Jurgens & Co., a Dutch firm, and in 1908 the competitors thought that it would be to their mutual advantage to enter into an agreement for sharing profits. Accordingly, over a period of years three pooling agreements were entered into. The first agreement, dated February 13, 1908, contained many complicated provisions, but broadly its effect was that each company acquired an interest in the profits of the other. There was a supplemental agreement in 1913 whereby it was agreed that subject to certain modifications the principal agreement of 1908 should continue in force until the end of 1940. After the settlement of a complicated dispute arising out of these agreements, the members of the Van den Bergh and Jurgens families decided to consolidate their interests by forming a Dutch holding company and an English holding company.

Mr. President, it was only a few years ago when, under a Democratic President, the SEC bill was passed, and holding companies apparently were outlawed forever. Yet today whom do we find the Democratic Party taking to its bosom? Who is going to be the general manager, all over the Nation, of the Jackson-Jefferson Day dinners? Wait a little, Mr. President, and I will tell you. Who of the 157,000,000 people in the United States has the Democratic Party picked?

The report further states that—

In association with the Dutch—

They have now formed a Dutch holding company and an English holding company. They were not satisfied with one holding company; they organized two.

In association with the Dutch sister concern, Unilever N. V., Unilever Ltd., now controls not only the Jurgens and Van den Bergh groups of companies, but also the Schlicht and Hartog concerns, both of which manufacture soap and margarine, the former mainly in central and eastern Europe, and the latter in Holland. In 1931, two additional companies were formed under the names of Unilever (Raw Materials), Ltd., and Unilever Grondstoffen Maatschappij N. V., in order to facilitate the buying, holding, and administration of stocks for the English and Dutch groups of companies, respectively. This colossal international combine now includes over 600 companies—

Namely, 616 companies, in 40 different countries.

I read further:

supreme twin holding companies (Unilever Ltd. and Unilever N. V.) are kept separate not only for organizational reasons but also in order to avoid the costs and complications of double taxation. But the real nerve centers are to be found in the interlocking directorates of two private companies, each of which controls 50 percent of the voting power in Unilever Ltd. and Unilever N. V.; so that the British and Dutch interests jointly control both. The whole vast organization is

divided into a number of groups of companies. There are separate directors and managers for each group, and a small number of directors whose special function is to keep constantly in touch with the group executives so as to maintain uniformity of policy.

So the entire 616 companies will have the same kind of policy, which, of course, is robbing the common people along the same lines all the time.

Referring again to the article which appeared in Fortune magazine, I wish to say that on page 90 appears the picture of the man selected by the Democratic Party to be the general manager for its Jackson-Jefferson Day dinners. But I do not wish to give his name yet. In a moment I will tell the distinguished gentlemen on the other side of the aisle who he is. But I assure you, Mr. President, that every farmer who tried to make a living when this man was appointed to a responsible position a few years ago by the President, knows, to his sorrow, who he is.

I shall read further from the Fortune article. When this monopoly got to work and started out, it did a great deal of advertising, promoting, and competing. The article states:

Advertising, promoting, and competing, Lever expanded rapidly, and he made soap a mass-produced item by the simple device of selling it as a specialty. In 1888 he started a huge soap factory and model worker's village in a dreary marsh across the Mersey River from Liverpool, and called it Port Sunlight. It is still the world's largest soap factory, and is served by the world's largest privately owned dock. He flooded England with Sunlight, sent it overseas, and was soon manufacturing it all over the world, in Switzerland, Australia, Canada, Belgium, France, the Netherlands, the United States, and Germany. To secure his raw-material supply he picked up 200,000 acres of land in the British Solomons, on which he proposed to plant coconut trees, and got a 1,875,000-acre concession in the Congo for growing oil palm trees, where he built houses, schools, and hospitals for the natives.

But like most born competitors of his time, Lever turned out to be a born monopolist. The older he grew, the less he slept, the more he saw, the more he wanted, and the more he bought. In 1906 he promoted an amalgamation of the leading soap makers, but it was attacked furiously by some of the press, which printed evidence of fraudulent trading and other malpractices.

Mr. President, the article is too long to read in full or even to have printed in full in the RECORD; but I have picked out the most pertinent parts of it. The following appears on page 204:

Besides getting into the British margarine business (margarine had been imported mostly from the Netherlands, so during World War I the Government asked him to make it) he founded the MacFisherles firm, bought a whaling company and built it up, and acquired a half dozen leading British soap, soap flake, chemical, oil cake, and candle companies. Among them was the eminent Joseph Crosfield & Sons, Ltd., makers of soaps and chemicals, which had been the first (in 1906) to hydrogenate hitherto distasteful fats like whale oil and render them first rate for any use. By 1920—

Thirty years ago—

he had gathered unto him more than 75 percent of the British soap business.

So, Mr. President, away back in 1920 he was doing three-quarters of all the soap business in England.

Now I read from page 207:

The story of margarine, man's most successful attempt to compete with the cow, is mostly the story of Margarine Unie's predecessors.

Mr. President, perhaps most of us realize that if we go out on the street and talk to the people we meet there, we find that today the average man does not know where oleomargarine comes from or what it is made of. Of course, those who want to cram it down the throats of the American people leave off the word "oleo," and just call it margarine, because margarine sounds better; it sounds something like "Marjorie" a girl's name. So the producers of oleomargarine like to call it margarine, and leave off the word "oleo."

But I wish to state exactly how it came about that we ever had such a thing as margarine or oleomargarine in the first place. I read further from the article appearing in Fortune magazine.

The story goes back to the middle 1800's and the little town of Osch (later Oss) in the kingdom of the Netherlands, where there flourished two friendly rivals, butter exporters. They made their living buying surplus butter all over the Continent, refreshing it by a simple churning process, and exporting the revived product. One of the firms belonged to Anton Jurgens and his sons, Jan, Arnold, and Henry, devout Catholics; the other to Simon Van den Bergh, a pious, kind, philoprogenitive Jew who, when he got rich, spent great sums in helping refugees from the Russian pogroms flee to America.

Then, in 1870, came the Franco-Prussian War, which caught France short, among other things, of butter. But Napoleon III had anticipated the shortage, and before the war had commissioned a chemist named Mège-Mouriez to experiment on a substitute. Mège-Mouriez wisely studied the cow. He noticed that unfed cows continued for days to deliver milk rich in butterfat but lost their animal fat in the process. He naturally concluded that the butterfat in the milk had been derived from the cow's fat, and verified his conclusion by pressing caul fat (from around the heart) with milk, and so making an artificial butter. For good measure, he invented the name "margarine" to describe this butter.

Jan Jurgens heard about the process while in France and immediately got the rights to manufacture margarine. At this point the narrative can be taken up by an extract from the Van den Berghs touching little family history.

Mr. President, I need not go into all the family history, but the article states what bitter rivals those two men became, after they had been friends almost from childhood.

Later on in the article we find this quotation from a newspaper headline: "Margarine king dead."

The Dutchman had died in 1907. In other words, the heads of those two families had been fighting each other, but in 1907 one of them died.

After that, Simon's sons commanded the fight against the Jurgens. But the Jurgens were led by Henry's son, Anton, the strongest and ablest of the bunch—a sharp-faced, shrewd little man with an overpowering ambition to run the whole margarine industry. Remembering that William Lever had come to the Netherlands and had tried to sell Uncle Jan on the brand idea (Jan had called Lever a fanatic), Anton had taken a leaf from Lever and pioneered branded mar-

garine. He also had been bitten by the monopoly bug—

As was so well described yesterday by the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Then we find this:

At first he didn't get very far, but about the time of the depression of 1907 competition got so ferocious and duplication of facilities so flagrant that a profit-pooling arrangement was concluded.

So instead of dividing the stock and the control, they made an agreement to divide the profits 50-50.

Mr. President, I ask unanimous consent to have printed at this point in my remarks page 213, beginning with the words "mostly because of this decline," and continuing to the end of the paragraph on page 214.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Mostly because of this decline, the directors decided to redistribute the assets of the two holding companies so that the British and the Dutch sides of the business would be more nearly equal in volume and profits. This seemingly odd decision goes back to the days of Margarine Union and Margarine Unie, which were tied together by a unique equalization agreement designed to get the benefits of consolidation without incurring the penalties of double taxation. Under the agreement the companies had identical boards and their stockholders had equal rights, and each was bound to help pay the preference dividends of the other, if need arose, and to pay the same dividend on its common. When the Unilever companies replaced the Margarine companies, the agreement remained in force. In 1937, what with falling Dutch profits and no prospect of getting anything out of Germany, it looked as if the English company's dividends would be held down by the imbalance in earning power. So the assets were distributed by giving nearly everything outside the British Empire, including the prosperous American company, to the N. V. side of the business and leaving the rest with the British side. At the same time, Lever Bros. was completely merged with Unilever Ltd., and the names of the two great holding companies were changed to Lever Bros. & Unilever, Ltd., and Lever Bros. & Unilever N. V. If it had not been for the double taxation, to repeat, the two originally would have been consolidated into one, and the question of redistributing the assets would of course never have arisen.

How American profits helped shore up the N. V. side of the combination—remember, Germany's profits were blocked—may be deduced from the following estimate of Unilever's 1937 sales and profits by countries.

*Lever Bros. & Unilever Ltd.*

[All figures in millions of pounds]

	Sales	Profit
Great Britain.....	55.0	5.6
Soap.....	15.0	
Oil cake.....	15.0	
Margarine.....	8.0	
Mac Fisheries.....	8.0	
Paperboard.....	3.0	
Foods, glycerin, etc.....	6.0	
Empire.....	47.0	
Africa.....	40.0	1.6
Australia.....	3.0	
Canada.....	1.5	1.5
India.....	1.5	
South Africa.....	1.0	
Total.....	102.0	8.7

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*Lever Bros. & Unilever N. V.*

[All figures in millions of pounds]

	Sales	Profit
Germany.....	35	1.8
United States of America.....	15	1.3
The Netherlands.....	15	
France.....	5	
Belgium.....	4	
Scandinavia.....	4	.9
Eastern Europe.....	4	
Switzerland.....	2	
Philippines.....	2	
Others.....	3	
Total.....	89	4.0

The war changed these proportions radically, and put N. V. in an even worse position. The Continent faded out of the picture, and Germany, Austria, and the countries east of the Stettin-Trieste line are still excluded from the accounts. The United States now earns practically all N. V.'s profits. Yet total turn-over for 1946, excluding intracompany transactions, was around £270,000,000, or £80,000,000 more than the combined gross shown above, and total profits were £12,000,000, or hardly below the 1937 figure. What happened, as the Continent passed out, was that business in Britain, the United States, and in the domain of United Africa Co. expanded by more than enough to compensate for European declines. United Africa proved to be the star performer, almost doubling its 1937 turn-over and profits. Despite rationing and short supplies, the British and American companies more than held their own, partly because of an acquisition program designed to compensate for the loss of Germany. The United States company bought Pepsodent; and N. V.'s Lipton Tea Co., tea blenders in the United States, went in heavily for dehydrated soups. The British company got the right to manufacture and distribute Birds Eye frosted foods outside the United States, and purchased Batchelor's of Sheffield, world's biggest pea processors and canners. And last year Smethurst Ltd., fish curers of Grimsby, came into the fold.

Mr. LANGER. When Fortune magazine started to write up the monopoly, its editors apparently thought they could do it all in one article. Before they finished, they found it required three editions of Fortune. They treated it serially, as a continuing story. We turn now to Fortune for January 1948. A little while ago I made the statement that all the laborers in Africa were paid was 20 cents a day. I call attention to page 62, where, as a part of the article, there are pictures showing the laborers doing various kinds of work, under which is this note:

West African labor is poorly paid because as a whole it is very unproductive. The 80 men hauling the logs, for example, get so little—20 cents a day—that they are almost as cheap as a tractor, which is still unavailable.

Mr. President, I ask unanimous consent that this entire article, dealing with the monopoly, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**UNILEVER'S AFRICA—LEVER BROS.' UNITED AFRICA CO. IS THE WORLD'S LARGEST TRADING COMPANY—THOUSANDS OF NATIVES PROFIT FROM IT BUT THOUSANDS MORE DISLIKE AND FEAR IT**

Promptly at 7 a. m., almost as if he had been set off by the strokes of the ship's bells mounted on the wharves below, Cecil Humphrey, manager of the United Africa Co. trading station at Opobo, Nigeria, puts down

his cup of tea, dons his white pith helmet, and strides along the palm-bordered graveled walk leading from his house, down the stone stairs to the Dayspring wharf. It looks as if it would be a busy morning. Up river to the left and out of sight around the bend, the yellow tide is dotted with native dugout canoes, their paddles glittering in a bit of sunshine that has managed to slip through the sodden, lowering clouds. Dozens of traders are already unloading their valuable cargoes of palm oil and palm kernels. Among them is L'Nemchaku, one of the great middlemen of the Ibo Tribe, dressed in gold and white like a prophet, and bringing 14 puncheons containing 9 tons of oil worth in all nearly £250; and Mercy Pepple, one of the oldest female traders on the coast, dancing around and chattering, offering a few hundredweight of palm kernels.

Mr. Humphrey's corps of African helpers are already on the job—sampling and grading the kernels with a terrific swagger and flourish, unloading and rolling the puncheons into the storerooms with a straining and groaning and chanting as if each barrel were heavy as a steam roller. There is, however, none of the old struggling and screaming about prices. These are still fixed by the government, and all Mr. Humphrey does is initial the chits for payment after carefully checking them against the produce—£100 for this trader, £8 for that one, £75 10s 5d for the other.

Within the hour a big part of this payment, which can total as much as 40,000 shillings (natives dislike folding money), will be rolling back into Mr. Humphrey's till. For on each wharf is a store belonging to the United Africa Co., or one of its subsidiaries like Miller Bros. or African & Eastern whose names are preserved because some traders long ago pinned their loyalty to them. But here again is no bargaining palaver, no wrangling among the stores for the traders' custom. Nearly all the stores are owned by UAC, prices are controlled, and the stocks of flamboyant cottons, cigarettes, salt, and so on, are so low that everything not reserved for favored traders is snapped up at once. The West African describes a superior object as "fine pass" this or that, and the finest of all as "fine pass kerosene." "Fine pass kerosene," duly says the clerk, displaying a dubious roll of United States-made shirting. "Everything fine pass kerosene today," comments the trader mournfully. And in terms of price and scarcity, everything is. Last year Mr. Humphrey bought upward of £200,000 worth of palm oil and palm kernels, and one of the major sorrows of his life is that he couldn't sell as many pounds' worth of merchandise because it wasn't there.

**TRADING ON THE GRAND SCALE**

Compressed into a single instance and oversimplified, this is the current success story of the United Africa Co., Ltd., the biggest enterprise in all Africa, the world's largest trading company—and a wholly owned subsidiary of the Anglo-Dutch Lever Bros. and Unilever combine, whose history was recorded in last month's Fortune. The basic operation at Opobo, one of the last of the old-time river stations, is repeated, on both smaller and larger scale, all over central and west Africa—up at Kano, 700 miles north, the world's greatest groundnut (peanut) market, capital of the Hausa Tribe, the largest and most ancient Mohammedan city west of Istanbul, where the howl of the muezzins wakes you at daybreak every morning; over at Ibadan, the largest and most "modern" city of Nigeria, where nearly half a million people spawn and trade under an ocean of galvanized-iron roofs. Last year UAC bought nearly \$115,000,000 worth of African produce from natives and their middlemen, raised \$6,000,000 worth of oil on its plantations in West Africa and the Congo; took in some \$8,000,000 from its 518 craft on the Niger and the Congo and from its wholly owned

line, which operates a 15-ship, 120,000-ton fleet between the United Kingdom and West Africa. On the other side of the ledger, it sold nearly \$145,000,000 worth of merchandise, mostly in West Africa and the Congo. (For an account of the odds and ends of its operations see the note on page 132.)

All this amounts to nearly \$300,000,000 worth of business—about 45 percent of the produce buying and 30 percent of the merchandise sales in all West Africa, and nearly as much in the Congo.<sup>1</sup> This great territory stretches more than 3,000 miles from the hump of West Africa in Senegal through the Congo to East Africa. It includes British, Belgian, French, Portuguese, and Spanish colonies, which have different customs and degrees of development but are alike in that they are more than 99 percent native and more than 99 percent illiterate. Its area is roughly equal to that of the United States, and its population is some 50,000,000. UAC's great strength and two-thirds of its business lie in the Gold Coast and Nigeria, the latter now the largest country (23,000,000 approximately) under the British Colonial Office, where it alone does 60 percent of the buying and nearly half the merchandise sales. Eight other relatively small European companies, with which it is on the best of terms, do the bulk of the rest. Wherever you go in this region—the size of Germany, France, and Italy combined—UAC is supreme. Its stores and warehouses seem to take up half the town, its trading posts cover the bush, its managers' houses are the finest, and its managers' "chop" (African for food) the best. "UAC be government," say the natives, logically identifying the most important and powerful organization in the land with the official manifestation of power.

UAC of course is not the government. It is simply in the position of doing a large part of the business there and maintaining commercial relations, free of antitrust legislation, with the rest. UAC is disliked by the people. It is disliked and feared all the more because the people can't do much about it, because their whole economic present and future seem bound to it—and because they are black and largely primitive and prone to distrust and dislike even the most uncommercial Europeans.

#### FROM COMPETITION TO COMBINATION

It took a long while to achieve this uncomfortable eminence, but in some ways it surely would have pleased the man who started it all. He was the extraordinary William Hesketh Lever, the Viscount Leverhulme, of the Western Isles, founder of Lever Bros., who about the turn of the century was driving toward the domination of the British soap industry. Tropical oils were already being refined and used instead of tallow for both soap and margarine, and the monopoly-minded Lever wanted to be sure of his raw materials. Having bought 200,000 acres and planted 17,000 acres of coconut palms in the Solomons, he turned his attention to Africa, whose principal oils were and are palm oil and palm-kernel oil, squeezed from the fruit of the oil-palm tree. This fruit, growing in huge clusters, somewhat resembles tiny, 3-inch coconuts. The farmers shin up the tall trees, pick the fruit by hand, and extract oil from the pericarp by stewing it and squeezing it in a crude press. And in their spare time their women crack the nuts, whose kernels are nearly always exported and pressed abroad.

This method not only wastes time and oil but produces a low-grade oil with a high free-fatty-acid content; and at the outset Lever, who certainly had what Americans used to call vision, wanted to mechanize the pro-

cess of decortication and expressing the palm oil, and to grow the palms on plantations, where the yield and quality per tree could be more than doubled. When Lever tried to do business, however, he banged up against British protectorate policy, forbidding Europeans to buy Nigerian land or even lease it for long terms. This idealistic policy was and is based on preserving native land-tenure laws and on the concept of trusteeship, of saving Africa for the Africans and letting their wants determine their development; and although the arguments against it have increased in cogency with time, Parliament and the colonial office, determined to protect the natives against the soap boilers of the world, have clung to it.

Lever stormed and raved, but all he could do was buy a small trading company, put up an experimental kernel-crushing mill, and stamp off to the Belgian Congo. This land, whose moral atmosphere was so magnificently rendered in Joseph Conrad's *Heart of Darkness*, was just then struggling out from under Leopold II's atrocious exploitation. The Belgian authorities, looking for a new enlightened system, gave Lever a cordial reception. In 1911 he founded the *Huilleries du Congo Belge*, with a concession to develop 1,875,000 acres provided he paid agreed minimum wages, established schools, hospitals, etc. Today *Huilleries du Congo Belge* has nearly all its acreage in oil palms, 80,000 on a plantation basis, employs upwards of 40,000 natives, and produced 37,000 tons of oil and 16,000 tons of kernels last year. Although it technically stems from *Huilever*, a Belgian subsidiary of Unilever, it is really part of UAC.

In 1920, not long after he had publicly denounced the Nigerian Government for its bureaucratic, highhanded methods, Lever tried again to establish plantations in British West Africa. The Governor of Nigeria, Sir Hugh Clifford, invited him to dinner at Government House in Lagos. The blunt, importunate Lever argued his case violently, while Sir Hugh replied firmly and with some annoyance that the fundamental doctrine of the system of developing agricultural resources through the agency of indigenous inhabitants was the only justification for British rule in tropical countries. The argument got to the point where they would have exchanged blows had they been anything but British. The next day Lever invited Sir Hugh to dine with him on his yacht, the *Albion*. Sir Hugh declined. "My duty compels me to be hospitable to you," he explained, "but it does not compel me to accept your hospitality."

But Lever was already embarked on a move that was eventually to get him what he wanted. At this time two large outfits did the bulk of the trading. One was the Royal Niger Co., which had operated under a royal charter empowering it to maintain the peace. It achieved a virtual commercial monopoly, but the charter was repealed in 1900, when the government decided to do the governing. Nineteen years later a company called the African & Eastern, a new combination of several small firms, emerged as the Niger's chief rival; and in the boom times toward the end of World War I, A. & E. was as big as Niger. The two became fiercely competitive as only tropical traders can become. Lever thought such competition idiotic, and itched to buy and merge them. Since raw materials were at the highest prices in history, he was prepared to pay appropriately for the companies: £8,500,000 or five and a half times the par value of its shares for the Niger Co., and a complex but costly bid for A. & E. The Niger purchase went through, but the A. & E. deal hung up on litigation. Meantime the bottom fell out of the market, and Lever was probably lucky it did. The beating he took on Niger badly bent Lever Bros., and the loss he would have taken on A. & E. might have broken it.

As it was, the two companies almost competed themselves broke in the early 1920's. They had overextended before and during the war, duplicating stores, warehouses, and trading stations, and were now overpaying traders and brokers. The general unprofitableness of the operation was aggravated by the fact that trading could not be tightly controlled by the home office. Gone were the old days of the palm-oil ruffians, when a shipload of assorted junk, mostly empty gin bottles, was enough to make a man's fortune. Not yet gone were the old and romantic characters like A. C. Butler, the palm-oil king of Opobo, with his enormous and picturesque library and gargantuan palm-oil chops. The palm-oil chop, still the Saturday dish of traders, consists of chicken, prawns, and almost any other available meat or fish cooked in fresh red palm oil and served on rice and fu-fu (mashed yams). Butler and his chieftain friends, sluicing down the gory-looking chop with a bottle of gin apiece, would eat and drink themselves asleep, and part of Butler's special fame derived from his ability to rise early next morning and gorge himself on the remains of the feast. Not yet gone, either, were the days when company-employed traders worked their own little game on the side, buying palm kernels when the price was low and not entering the purchase on the books until the price reached its peak. And by no means gone were the competitive days when a trader used every trick and strategy ever heard of to take business away from another trader.

By 1929, A. & E. was in the hands of the bankers, who brought in Sir Robert Waley Cohen, head of Shell Oil, to run it. One of the first things Sir Robert did was to pick up where Lever had left off and make a deal with Niger to combine on a 50-50 basis. The result was UAC. Not even the combined company could stand the depression, however. It lost millions, had to be written down from £15,700,000 to £11,000,000, and passed almost entirely into the hands of the Unilever interests when A. & E. could not meet its bankers' demands for money. But in 1931 UAC began a housecleaning that is still talked about with awe in the jungles of Nigeria and along the reaches of the Congo. Down to Africa sailed two directors, who then proceeded to reduce the number of stores and the staff of both the West African operation and *Huilever's* SEDEC (*Société Anonyme d'Enterprises Commerciales du Congo Belge*) by no less than 60 percent. The operation temporarily killed the company's morale, but it revived its financial standing. By 1933, UAC was in the black again.

One of the three managing directors at that time was a shrewd, intense young man named Frank Samuel, who at 21 had gone into the family musical-instrument business in London. He invented the first portable gramophone, which he called the Decca, for no particular reason except that the name sounded good, and shortly set up the Decca Gramophone Co. Convinced that radio had ruined the phonograph, he sold out the company to its present owners for £450,000, made a trip around the world, and looked for something to do. His friend, Sir Robert Waley Cohen, asked him to take a whack at merchandising with UAC. Mr. Samuel took a whack and was at the point of giving up when he decided to go to Africa and have a look for himself.

There he changed his mind so effectively that in 1931 he was appointed a director, and early in the war, when the other two directors went into government service, he took over. Some idea of the importance Unilever attaches to its biggest subsidiary may be derived from the management set-up of UAC. Chairman is the famous Viscount Trenchard, marshal of the Royal Air Force, Chief of Staff of the British Air Staff from

<sup>1</sup>Besides those under UAC's jurisdiction, Unilever's African interests include soap and margarine factories and food-processing companies in South Africa, the Rhodesias, Nyasaland, and West Africa.

1918 to 1929, who fought for 7 years in Nigeria at the beginning of the century and knows the country well. He has been chairman since 1936. The rest of the board consists of 15 members, including, besides Mr. Samuel, 4 other members of the Unilever board: Geoffrey Heyworth and Paul Rykens, chairmen of the parent companies, Sir Herbert Davis, and R. H. Muir. No other Unilever subsidiary has such a team at its head or is so closely integrated with the parent board.

#### EVERY PRICE HAS ITS COSTS

In the last few years UAC has achieved what no company in Africa has enjoyed since the days of the Royal Niger—stability in both buying and selling, an almost complete hegemony of the field; and the irony in the fact that the wartime controls of the government have helped the company to its unprecedented heights is surely not lost on Mr. Samuel, whose devotion to success is complemented by a sardonic sense of humor. And UAC is successful. Last year profits, after taxes, were somewhat more than \$10,000,000, or nearly a quarter of Unilever's consolidated profits, or about 4 percent on UAC's sales and 18 percent on its original capitalization.

What this success means will become clear after we consider the nature of UAC's business, its relation to Unilever, and the normal conditions under which it works. Its activities sound simple. Its primary function is to get tropical produce and sell it in the world market (it never buys directly for Unilever), and it naturally would like to see a comfortable spread between the price it pays and the price it sells for. In the early days a trading company kept native prices low by offering the cheapest possible merchandise for the biggest possible amount of produce. Manhattan Island, remember, was bought for \$24. But after the transaction became monetized a strange complication set in. As soon as the native got money to spend, and got it from sources other than the traders, the companies found themselves developing merchandising organizations whose prosperity depended on the native's having money to spend—which he did not have when prices were ruinously low. And experience showed that trading companies almost invariably made more money when prices were high than when they were low, and made more money on merchandising. World prices that were too low to cover transportation costs to Europe would mean no business for anybody.

This logic may seem to place Mr. Samuel in an odd, not to say dichotomous, position. As UAC's managing director, charged with making it profitable, he should prefer high world prices. But as a director of UAC's parent, Lever Bros. and Unilever, which buys colossal amounts of fats and oils and converts them into soap and cooking fats and margarine, he should prefer low world prices. It would be easy to conclude that Mr. Samuel is beaten down by the rest of the Unilever board, which theoretically should sweat to drive produce prices as low as possible. As a matter of fact, prices fluctuate regardless of the wishes of Mr. Samuel or Unilever; and it is more valid to conclude that Unilever is more interested in the prosperity of the trading business as owner and buyer than only as a buyer. This is just another way of saying that the Unilever-UAC vertical combine, like most vertical combines, results almost automatically in a corporate urge to balance prices and costs so that each of the company's components turns a profit; and the key to the balance is stable prices. One can believe Geoffrey Heyworth, chairman of Unilever, when he says: "We run our business positively, keep it healthy and growing, and let the chips fall where they may."

So Mr. Samuel is certainly in no danger of going schizoid. He would like to see produce

prices comfortably higher—high enough at any rate to keep the produce coming steadily to market. On the other hand, he naturally aims to drive as hard a bargain as he can for the money the native has to spend. To the native chief who remembers fondly only the feast of the feast-or-famine days of competitive buying and selling, such stability seems like a big squeeze play by the trading companies, by the civilized world on the primitive areas, by the white race on the black race.

One reason trading companies in the Tropics formerly competed so savagely was that they had relatively high overhead costs. There are only some 1,125 UAC European employees in West Africa and the Congo, but Europeans in the Tropics are expensive animals. The company provides them with houses and "boys"—its total investment in houses runs into millions—and grants them a month's leave for every 5 months on tour, with round-trip fare to London or Brussels. A few older men are still on a bonus basis, the bonus varying with profits and amounting to as much as twice the salary, but this has been largely supplanted by a pension scheme enabling a man to retire at 53 on half salary—not too early nor too much for anyone who has steamed out the best years of his life in the Tropics, fighting dysentery, consorting with the same bores day after day, swallowing pounds of quinine or atabrine in a futile attempt to fend off malaria, and giving up his children (if he has any) for a dozen years or more because the Tropics are bad for them and there are no schools there anyway. While salaries are not high by American standards—only a few managers make more than \$10,000 a year—they are high by colonial standards, and personnel costs impose a fixed burden that can be absorbed successfully only with great volume. Competition, of course, was worst when times were tough and volume hard to come by, and a native would walk 25 miles to save threepence. And the worst competition was provided not by the European companies but by price-cutting Syrians, Lebanese, and Greeks, who slept behind their shop counters, and did not have to worry about houses, bonuses, retirement pensions, district managers, or area supervisors.

#### SWARMS OF MIDDLEMEN

UAC's chief purchases, in the order named, are palm oil and palm kernels, cocoa, groundnuts, and hides, and it harvests and saws timber. Most of the cocoa comes from the Gold Coast, and most of the rest from Nigeria and the Congo. The company buys this produce in 1,771 stations, some doing a business of \$5,000,000 or more a year, others consisting of a native employee or concessionaire on a commission basis, with a stock of matches, cigarettes, soap, tin pans, and plain and printed cotton goods under a little tin-roofed shack of a store.

All these stations, however, are not anywhere near enough to contact the so-called farmers out in the depths of the bush. Native farming consists mainly of climbing oil-palm trees and picking the fruit, knocking pods off cocoa trees at the right time, and cultivating patches of groundnuts; and even when the farmer has enough wives to do the work, he rarely pursues his calling assiduously. In the main, he sells not for the necessities of life, which he raises or picks from trees, but for luxuries like matches, cigarettes, bicycles, sewing machines, gramophones, and Xavier Cugat records.

Partly because he has to be coaxed, partly because he is so inaccessible, a hierarchy of native middlemen factors or brokers has risen up to fetch his produce to market and to take merchandise to him. Local brokers sell to district middlemen, the district middlemen to lower middlemen, and so on. In 1937 there were some 1,500 brokers or factors and 37,000 subbrokers in the Gold Coast; no attempt was made to estimate the num-

ber in Nigeria, but it probably exceeded 100,000. The one big ambition of the smart West African native, male or female, as soon as he or she donned a loin cloth and began to comprehend the weird and intricate ways of the white man, was to forsake the jungle and become a trader or middleman. But, of course, the middleman needed money, and the only way European firms could get produce was to advance the money to the brokers, who advanced it to the middlemen at 40 to 50 percent interest, and so on down the line to the farmer. The native brokers, like the white traders of an earlier day, quickly found out that the capital they had to work with presented tempting opportunities for cleaning up on their own.

A good example of how they worked is provided by the prewar cocoa situation. As the buyer of 40 percent of the cocoa in the Gold Coast and in Nigeria (the source of half the world's supply), UAC advanced hundreds of thousands of pounds to brokers. They in turn would buy cocoa at, say £25, and enter their purchases on the books at £30 or £35 if the price later went up that far, but at the actual buying figure if it fell; with the result that the European companies were left holding the bag no matter which way the market happened to go. UAC claims it lost £1,338,000 in cocoa buying between 1930 and 1937, overpaying brokers by some £350,000.

So practically all the European firms got together and formed a cocoa-buying pool that divided the market and "stabilized" prices. Just about this time, the world price of cocoa, influenced chiefly by the decline in New York prices, fell abruptly. The bewildered natives and their chiefs could not or did not want to understand the reason and blamed the price decline on the buying pool. They organized a strike or "hold-up," and native sales and merchandise purchases fell off to practically nothing. The British Government investigated, and printed a report recommending, among other things, a farmers' cooperative to eliminate usury, misweighing, and other abuses of the middleman system.

But shortly afterward the war began, and the British Government, through traders, did all the buying. It still has a monopoly on West African cocoa, and with the world price around £250 a ton, it is buying cocoa for around £75 a ton, and has already made a profit of some £20,000,000. The Colonial Office says it will set aside these profits to bolster the price in future years at about the level it is paying now, and despite the howls and laments of American chocolate makers apparently intends to continue price controls indefinitely. Through the 1946-47 season it fixed not only prices but buying quotas, the latter on an "as is" or "past-performance" basis. UAC had no kick coming; it made at least a decent profit and any kind of stability was better than the old-time anarchy. Last fall, however, the Government suddenly knocked the props out from under this stability by canceling quotas but still continuing to fix the buying price. The companies must theoretically now bid for tonnage with very little room to bid in, and some kind of buying agreement is obviously in the offing.

Wartime price controls had and still have a salutary effect on other produce. UAC (and its predecessors) had habitually made trade agreements with European competitors—firms like Paterson Zochonis, of Manchester; Compagnie Française de l'Afrique Occidentale, of Marseille; John Holt & Co., of Liverpool. But it had no sooner made agreements than new competitors began to take advantage of the opportunity—just as the textbook says they should. In the late 1920's, for example, the European firms at Kano got together, agreed on prices, and made allocations of groundnuts, and it looked as if they would enjoy the blessings of stability. But a Tripolitan named S. Raccan got into the export trade, offered

native middlemen and other sellers a better price than the European firms. He went broke in the middle 1930's, but came back strong by working hard and late, dealing through brokers in Europe, and dickering for lower than conference steamship rates. By 1938 he was exporting a third of the groundnut crop, and of course the European agreement in effect broke down. The war intervened, and the British Ministry of Food controlled and set quotas for West African produce, allocating UCA nearly half of the groundnut crop on a 3-year average.

The only noteworthy UAC activity that perhaps hasn't gained by Government controls is the practically noncompetitive lumber and timber business, which accounts for a rather small part of the company's revenues and an undisclosed but certainly very nice part of its profits. It harvests tropical timber of all kinds on a concession basis in the lowland jungles of Nigeria and the Gold Coast, saws it up in a mill at Sapele, Nigeria, and sells the lumber to the Ministry of Supply. A few years ago Mr. Samuel got interested in plywood, and UAC is now completing a huge factory with an annual output of 40,000,000 square feet of  $\frac{3}{16}$ -inch plywood, worth \$3,000,000. The mills are on tide-water—logs float from the forests, and lumber and plywood are loaded onto UAC steamers at the door. UAC is spending money on houses and a hospital for 2,000 native workers; and the plywood mill, the first of its kind in the Tropics, involves considerable risk and experiment, including air conditioning to combat humidity. But UAC has to pay the workers only about 50 or 60 cents a day, and the mill is potentially extremely profitable. Another is planned for the Gold Coast.

The British Government may not control the price of lumber and plywood by the time these mills are running, but it surely will control fats and oils for a long time. It seems determined, indeed, to peg them until the world supply, now a bare 17,500,000 tons, is somewhere near the 22,000,000 tons needed to put per capita consumption on a prewar basis. A question that will inevitably arise when controls are repealed concern Unilever's buying power. One of the arguments for the merger of the Dutch margarine and British soap interests that resulted in the Unilever combine was that together they could buy more than a third of the 5,800,000 tons of fats and oils normally handled in international commerce. Unilever was accordingly charged with having a powerful depressing influence on world prices. As we have noted, however, Unilever does not care to see prices depressed too far. And with a Labor government doing the stabilizing, UAC and Unilever have to worry only about the rather interesting charge, sometimes made, that they are running the Labor government. Even if they were, they wouldn't have to; the government's desire to maintain controls happens to coincide with Unilever's yearning for stability.

#### LEVER'S DREAM COME TRUE

What the Labor government has found out, ironically, is that Unilever's interests and the British national interests coincide so much of the time lately that it is sometimes difficult to recognize the company as the biggest octopus in the whole Old World. And Mr. Samuel's latest accomplishment is not only another example of such a coincidence; it can be interpreted as a victory in the Lever organization's 40-year-old fight with the Colonial Officer over plantation versus native farmer.

In addition to the 80,000 acres of plantations run by Huileries du Congo Belge, UAC Pamol Ltd. operates palm-oil plantations in Nigeria and the Cameroons. The latter dates back to German control and the other to a temporary excess of leniency on the part of the Nigerian Government, which allowed it to be set up as an experiment. The plantations have proved them-

selves vastly superior to the native farm methods. The forest is cleared and the young palms are planted, and they begin to bear within a few years. Since other trees do not keep the sun from them, they do not grow long trunks, and thus harvesting becomes easier and safer. The trees are more than twice as productive, and the oil is of consistently high quality, being expressed from the pericarp in plants right on the estate. Total cost has been cheaper than the price paid for native produce in all except the deep depression years. And today the finest palm oil can be produced for about half of the £25 a ton that the inferior native product brings. As a result of such differences in cost, the plantation-farmed Netherlands East Indies passed Nigeria in palm-oil exports in 1936 and the Congo is rapidly catching up.

Whether the plantation is socially superior to native farms is not quite so easy to say. The Colonial Office's contention that it would leave the native high and dry when profits fall has not been borne out, for during the depression plantation workers got along somewhat better than farmers. UAC plantations have provided the native much better housing than he has in the bush, plus free hospitals and clinics, schools, medical treatment; and the difference between the Congo plantation worker and bush native in health and general well-being impresses even the most skeptical visitor. Huileries du Congo is starting to raise a herd of cattle to provide red meat for its native employees, and has just founded L'Ecole Supérieure D'Agriculture-Huileries S. A. to teach bright Congolese to become estate managers. The only way native standards can be raised is by increasing native productivity, and the plantation system has done it faster than the slow educational system of the Colonial Office. The counterargument goes that the native on the plantation is deprived of his old village life and of the chance to process his produce as well as raise it, is fastened to a new kind of existence, and robbed of the illusion of running his own affairs. And it may be somewhat idealistic to expect a native to be more advanced than civilized people who have fought for the illusion of running their own affairs.

Neither groundnuts nor cocoa, however, are yet raised on African plantations. There is some doubt about whether cocoa trees could be; the best ground for them in the Gold Coast seems to be the middle of slopes, and it is of course terribly difficult to get enough middles of slopes together to make a plantation. The company, not missing a bet, has nevertheless planted 6,000 experimental acres of cocoa in the Congo. There is no doubt, however, about plantation culture of groundnuts. In 1946, while on a tour of East Africa, Mr. Samuel got the idea of developing huge groundnut farms in the vast uninhabited expanses of East Africa, where the soil seemed about right. But if Unilever proposed to buy hundreds of thousands of acres of land, the native leaders might have been down on its neck. Accordingly, Mr. Samuel developed the idea on a colossal three-and-one-quarter-million-acre basis, which no private company could very well swing, and turned it over to the Ministry of Food as Unilever's contribution to the solution of the world fats-and-oils shortage.

The ministry sent out a mission to report on the proposal. Soon after the mission returned, Food Minister Strachey, author of The Coming Struggle for Power, got up in Parliament and explained the scheme, adding that His Majesty's Government had asked UAC (one of the favorite targets of his Socialist friends) to manage the undertaking until it was in production. It was almost as if Churchill got up and said he wanted Aneurin Bevan as Prime Minister. There was derisive laughter from the right, and sharp questions from the left, and Strachey could only reply that UAC had

the experience and that was that. And only last November 6, Mr. Strachey again gave the company a pat on the back. "I believe that the UAC and all those who have been officially and unofficially responsible for the very rapid launching of Operation Groundnuts deserve well of the people of Great Britain."

UAC not only started the project, it did so without fee. Yet this was not wholly an eleemosynary gesture. Eventually the plantations may produce 600,000 tons of nuts a year, more than Nigeria's exports of palm kernels and groundnuts combined, and the oil will not only enable Unilever to make more soap and margarine but will almost certainly have a stabilizing effect on world prices. As the world's largest buyer of fats and oils, Unilever will benefit immensely. And if the day again comes when there is a glut, Nigerian farmers will doubtless pay for the illusion of running their own affairs—unless the Nigerian Government promotes its own plantation schemes. In that sense the groundnut scheme was a victory for UAC—and for the ideas and ambitions of old Lever himself.

#### TROUBLE IN PARADISE

Meantime, the native farmers are making a lot of money and UAC is making a lot of money taking their money. Probably no company in the world sells a wider variety of merchandise. More than a third of its \$145,000,000 sales comes under the general heading of textiles—180,000,000 yards a year—consisting mostly of cotton baft (heavy gray goods), and gaudy but imaginative cotton prints, carefully designed to satisfy the wierd and changing taste in each section of the country. Next on the list, accounting for about 10 percent of sales, are cigarettes. After that come salt and anything else any department store can conceivably carry, from Sunlight soap made in the local factory to Czech hardware and gas engines and wine and cosmetics and machetes and General Motors refrigerators and cars. More than three-quarters of UAC's sales are wholesale, made in small, dumpy holes in the wall bearing the name of a predecessor or subsidiary like W. B. MacIver, which markets most of the company's textiles. As a matter of general policy, UAC wants to forsake retailing almost entirely and leave it to the African. With that aim in mind it is refurbishing and concentrating its retail activities in a chain of modern, sometimes elegant Kingsway stores, nearly half of whose customers are Europeans, and will maintain them mostly as show places and pilot plants.

The story of merchandising competition is the same as that of produce competition; it used to be devastating. Besides the European companies, there were upstart Greek and Levantine traders who showed a dismaying ability to cut prices, squeeze along, and stay in business. They even decided to import for themselves, a decision that Manchester and German textile manufacturers were only too glad to abet for a while—until one Syrian ordered a lot of textiles from Manchester and refused to accept them when they arrived. When they were auctioned off, his confederate, supplied with the Syrian's cash, got them for about 60 cents on the dollar. Of another shrewd trader his competitors say he hires a claque to stir up a crowd, whereupon he sells a piece of baft, say, at 25 percent below going price in the morning and gradually raises the price as the crowd gathers and the day wears on.

As times picked up, UAC and eight other companies, accounting for the bulk of the merchandise trade, got together and succeeded in stopping the cutthroat competition effectively enough to double mark-ups on some items. This get-together is frequently confused with the Association of West African Merchants, an entirely different body comprising the principal trading firms and found-

ed during World War I. At the outbreak of World War II, the West African and home governments called it into consultation on import controls, price-fixing problems, and schemes for boosting native production. Even the whites, identifying it with high prices, call it the Association of Waylayers and Mercenaries. The get-together is currently unnecessary, for the government still fixes prices and allocates imports, more or less on a past-performance basis, and by and large the situation is beautifully under control for UAC. As a part of a large investment program, UAC has formed a jointly owned construction company with Taylor Woodrow, well-known British contractors, has a one-third interest in a 500,000-gallon brewery being built at Lagos, and is spending \$5,000,000 on its river fleet and docks. It is also finishing a banana-flaking plant (to be supplied from its banana plantation in the Cameroons), and planning to produce concentrated orange juice. If anything is to be developed in West Africa UAC will surely have a go at it.

The only notable fly in the ointment is a bold Gold Coast Greek named A. G. Leventis whom UAC sacked in 1938. He had little past performance in most of West Africa, but today he is one of the big retailers in the area. His white, modern, three-story building at Lagos, for example, is always crowded with merchandise and native buyers screaming to be waited on. The question of how Mr. Leventis imported his merchandise was the subject of a government investigation, which mentioned the irregularities of customs officials and United States Army officers. Leventis is unquestionably resourceful. The native is so proficient at the art of drumming that it is sometimes quicker to send messages by drum than by telegraph, and the story goes that Leventis bought up the free time of a whole army of drummers, and that the coastal jungles now vibrate to the Yoruba or Ibo equivalent of "Buy from Leventis—he undersells everybody."

Yet Leventis does not seem to worry UAC too much. Presumably it expects him to sell out as others have sold out when the time is ripe. In any event, UAC has been going its way more or less unconcerned, accumulating its good share of profits and ill will. To be sure, it is blamed for sins it doesn't commit. It is blamed, for example, for the fact that most of the stuff it imports reaches the native consumer at anything from 100 to 500 percent above what it should sell for. Actually, UAC sells to middlemen traders at government-fixed prices, and the traders sell and resell the stuff for whatever traffic will bear. Caustic soda, used by local soap makers and dyers, is very scarce, and last August caustic soda sold by UAC for \$9 a ton was fetching \$88 a ton in the free market. The natives have accused UAC of taking advantage of the situation by making traders take some of the things they don't want in order to get other things they do want.

The traders themselves are far from blameless. In Ibadan, last August, Yoruba female traders had overstocked themselves with Guinea gold cigarettes and were selling them in the street at less than wholesale price, hoping, in the words of one UAC man, "that their big orders of cigarettes would entitle them to better allocation of scarce stuff, which they could mark way up." This is a variation of an old prescarcy practice known as gold coasting, or buying easily salable items on chit, selling them below cost if necessary, and lending the cash to needy traders or natives at 30 or 40 percent.

Last June the natives of Ibadan, led by a youth movement called the Discrimination Watch Committee and the newly formed Ibadan Wholesalers and Retailers Union, protested tie-in sales, unsuitable merchandise, and what they thought was the European importers' partiality for profiteering Syrian traders. They organized an effective boy-

cott. "Never thought they could do it," admits a UAC man. "Anyway, the reason Africans complain about the inordinate profits of the Syrians is they want to make the profits."

Whatever the facts, UAC settled the boycott by agreeing to create 50 African traders at the expense of the Syrians, and so far it has found 14 natives capable of being made traders. The settlement, reached only after the Africans had demonstrated their strength, obviously did not do UAC any good. It strengthened the native's antagonism to the company and, more important, gave him confidence in his ability to fight it. As every company knows, a strike means bitterness, and losing a strike means losing prestige. In UAC's case the loss was even more severe because the strikers had different-colored skins and a different psychology.

#### THE WHITE MAN'S BURDEN

Nineteen years after its founding, UAC has arrived at an admirable commercial supremacy. Although its relations with the natives are better than they used to be they have not yet matched its commercial progress. The company is probably still vulnerable commercially—a new American or British company with plenty of Negroes in its management might give it a devastating ride. UAC is also vulnerable to public opinion. Now that India is practically independent, West Africa is one of the most critical frontiers on earth, one of the few remaining chances for liberal western civilization to give a good account of itself. As the dominant enterprise in this area, UAC has to define success as a performance that does credit not only to itself but to the free-enterprise system. It has to bridge the gap between the middle 1800's and middle 1900's.

This is not an easy job, and there is much to be said for UAC. It is not and cannot be expected to be responsible for 50,000,000 Africans. To assure every native connected with the fats-and-oils business a decent living by European standards, soap and margarine would have to sell for \$5 a pound. The West African economy cannot be appraised in terms of the European or American social or economic clichés any more than its living standards can be assessed in terms of American standards. The seeming rapacity of the trading companies often sprang from the competitive spirit that is the legal ideal of United States industry. Competitive assailability created the will to monopoly; trading companies have abused their position in one place to recover what they lost by excessive competition in another.

Under ordinary circumstances, a company could partly compensate for all this by wise, deft handling of personnel relationships. Even this is not so easy as it sounds. The bulk of the natives are not only illiterate, they are stupid, listless, and exasperating, as Europeans would be if they and their families were plagued with malnutrition, malaria, dysentery, yaws, sleeping sickness, leprosy, and outsized umbilical hernias. The average native knows the European mostly in the relation of boy or servant to master. This is partly unavoidable, because nearly all Europeans in UAC territory are executives of one kind or another, and would be masters if their employees were white. Anyway, the average native almost compels the European to be the white master. Accustomed to the most despotic kind of rule by his native overlords, he regards the European who tries to be democratic as a weakling and a fool. He responds to being treated fairly—a circumstance overlooked by many white masters—but the fact remains that he seems to perform best when treated firmly. So the average European inevitably regards him as a child, and is disposed to treat him economically as a child.

Complicating all this are the native workers' low wages—as low as 20 cents a day, with "cola" (cost-of-living allowance), hous-

ing, and other benefits bringing the grand total up by 50 percent—while merchandise is generally higher in Africa than in Britain. Naturally, a bicycle or a bottle of hair straightener costs a little more in Africa than it does 5,000 miles closer to the place it was made; and the African, until he is more productive, cannot expect to earn as much as European labor. (To pay him high wages now in the last analysis would be to do him out of a job.) Which is not to say that European companies do not take advantage of low prevailing scales, set by governments, the largest employers of native labor, to get productive jobs filled cheaply.

As for the literate African, he would be hard to handle even if he were getting a much better deal economically and were always treated as the adult he is. Neither the British nor French in West Africa nor the Belgians in the Congo tolerate the color line that is a feature of life in South Africa as well as the American deep South. But the mere absence of a formal color line does not affect things very much. The more enlightened the native, the more he is aware that his brothers and uncles and aunts come closer to monkeys than Europeans seem to; and unless he is a man of immense talent, all the confidence he can muster in himself and all he knows about the stupidity and venality of the white man isn't enough to cover his discomfort.

The situation presents obvious and enormous opportunities for a demagog, and one has appropriately arisen. The most publicized native in West Africa is one Dr. Nnamdi Azikiwe, better known as Dr. Zik, a well-educated man with a gift for noble phraseology. He prints several Nigerian papers, and his program is independence for Nigeria, justice for the Africans, "the right to work if a man has to," freedom from UAC, the destruction of AWAM, and so on. Frequently he is unintentionally funny. One of his papers recently created a particularly anguished furor with the news that a UAC manager employed a dog as night watchman at a higher wage than he paid some of his help. Dr. Zik's editors missed the point. This manager, who has since been fired, used the dog to patrol his place and hit upon the whimsical and touching idea of entering the dog's name on his pay roll along with several fictitious names.

Of Dr. Zik and his papers and activities it is fair to observe they are one of the best arguments extant for making Nigeria a crown colony, but his line nevertheless is sometimes just and generally plausible—and packs a big appeal. Dr. Zik cannot be pooh-poohed, as he is, on the ground that only a small literate minority knows him. UAC and the other Europeans almost certainly underestimate him, just as they tend to underestimate the forces that have generated him.

UAC has done something to improve its relations with the natives. It has appointed a personnel manager, and has sent several of its African managers on extended trips through the United Kingdom. It has set up pensions and sick-leave benefits. For economy as well as good will it makes a policy of upgrading native personnel to managerial jobs as soon as they can handle them. In Togoland, all its staff is African. Although Africans are generally paid considerably less for the same work, most students of West African economics agree that equal pay for equal work would be a mistake. It costs the European much more than the native to live in the tropics, and a European scale for the African, besides being too far out of line with the lowest native wages, would tend to keep him out of government and business jobs that he should be trained to hold. But even when the native sees the point of this concept, which he rarely does, he naturally believes that UAC abuses it. During the war, UAC upgraded many Africans, and in the inevitable housecleaning after the war

some lost out. The instinctive native reaction that the company was reviving color discrimination was taken up by the Zik press.

What UAC has on its hands, in other words, is a full-blown public-relations race problem about which it ought to do more than it has done. It could, for example, give thoroughgoing courses in race relations to young trainees and future managers, who now go down to Africa with only their own wisdom and imperfect knowledge to guide them. London seems to have decided it has a responsibility to the native, and Lord Trenchard has stated that it is UAC policy to cooperate more and more with colonial governments, but the company surely has not been able to sell itself or its good intentions to the natives. It might well study the methods of old Lord Leverhulme, who was as hardboiled as they come but knew what he was up against. "A native," he wrote in 1924, "cannot organize. He cannot run even a wooding post on the river satisfactorily." Nevertheless he felt that it was important to generate their good will, and suggested the publication of a magazine for African distribution with a cover showing a white hand clasping a black one and helping the native up a hill. The diagram might make a few sophisticated Africans guffaw, but the motive behind the idea is today more relevant than ever.

Mr. LANGER. Mr. President, some of the slaves of this great monopoly become educated. At the bottom of page 64 there are pictures of some of the natives, accompanied by the following note:

The fatalistic Mohammedan Hausa and Fulani of northern Nigeria (middle photo) boast a civilization that hasn't changed in a thousand years, yet is centuries ahead of the Congolese. Along the seaboard, the Sierra Leone and Gold Coast natives are considered most adaptable to European ways, with Yorubas and Ibos of southern Nigeria close behind. "And when they advance, that's when they get hard to handle," says a UAC official.

When they get a little education, they become hard to handle. I can understand that a man getting 20 cents a day, when he finds out how much people get in other parts of the country, may become rather hard to handle.

We turn now to page 132. I ask unanimous consent that the article in the box, entitled "The Foundlings on the Doorstep," be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### THE FOUNDLINGS ON THE DOORSTEP

"There are lots of funny bits lying about the company," says Geoffrey Heyworth, chairman of Unilever Brothers & Unilever Ltd. "It is like having a foundling on the doorstep; you don't slit its throat, you bring the thing in and take a look at it." Mr. Heyworth was talking about several odd, detached, and very profitable activities of United Africa Co. that function under an odd, detached, and profitable man named John Wigrain Shepherd. Most of them date back to the exploits of a director of African & Eastern (one of UAC's predecessors), Maj. Gen. W. H. Grey, C. B., C. M. G., who during and after World War I picked up a lot of bargains for his company in the Near East. He bought into the business of buying and shipping dates out of Iraq, and UAC now ships 100,000 boxes of the 500,000 going to the United States in the annual date rush. He bought the G. & A. Baker store in Istanbul, which got its start peddling cloth to the members of the Sultan's harem. It lost money for a long time, but

now does very well indeed, has gone into the wholesale business, and exports and imports everything from airplanes to tobacco (it sold 200 de Havillands last year). In Iran, Iraq, Mesopotamia, and Syria, UAC buys wool from the tails of desert sheep, much in demand by United States carpetmakers. In the Canary Islands it runs a general import-export business, importing grain and maize from Argentina and water pumps from the United States, and exporting tobacco and highly profitable homemade cigarettes to Spain. In Morocco it specializes in importing Chinese green tea, a staple of Moroccan diet, and exports Moroccan leather, which really comes across the desert from Kano, Nigeria. Finally, it scrapes a few thousand dollars worth of guano off one of the Seychelles, north of Madagascar. All these activities gross it around \$8,000,000 and make it a good fat profit. As Mr. Heyworth says, "When profitable loose ends can be tacked on by ad hoc methods, why throw them out?"

Mr. LANGER. I now come to page 134, a continuation of the article previously placed in the RECORD, discussing the monopoly. The little children in America buy Hershey bars, for example, on every one of which England, in control of Africa, makes an outrageous profit. Hershey and other chocolate bars are made from cocoa. Reading from page 134:

A good example of how they worked is provided by the prewar cocoa situation. As the buyer of 40 percent of the cocoa in the Gold Coast and in Nigeria (the source of half the world's supply)—

The article is dealing with the monopoly—

UAC advanced hundreds of thousands of pounds to brokers. They in turn would buy cocoa at, say, 25 pounds, and enter their purchases on the books at 30 pounds or 35 pounds if the price later went up that far, but at the actual buying figure if it fell; with the result that the European companies were left holding the bag no matter which way the market happened to go. UAC claims it lost 1,338,000 pounds in cocoa buying between 1930 and 1937, overpaying brokers by some 350,000 pounds.

What happened?

So practically all the European firms got together—

Here is where our American boys again got gypped—

and formed a cocoa-buying pool that divided the market and stabilized prices. Just about this time, the world price of cocoa, influenced chiefly by the decline in New York prices, fell abruptly. The bewildered natives and their chiefs could not or did not want to understand the reason and blamed the price decline on the buying pool. They organized a strike or holdup, and native sales and merchandise purchases fell off to practically nothing. The British Government investigated, and printed a report recommending, among other things—

What did they recommend? They recommended a farmers' cooperative—a farmers' cooperative, such as the Tax Equality League wanted us to put out of business. When they got all through, that is what they recommended, some 35 years ago.

The British Government investigated, and printed a report recommending, among other things, a farmers' cooperative to eliminate usury, misweighing, and other abuses of the middleman system.

But shortly afterward the war began, and the British Government, through traders, did all the buying. It still has a monopoly on West African cocoa, and with the world price around 250 pounds a ton, it is buying cocoa for around 75 pounds a ton, and has already made a profit of some 20,000,000 pounds.

That is, they buy it for around 75 pounds a ton, and sell it for about 250 pounds a ton.

The Colonial Office says it will set aside these profits to bolster the price in future years at about the level it is paying now, and despite the howls and laments of American chocolate makers apparently intends to continue price controls indefinitely. Through the 1946-47 season it fixed not only prices but buying quotas, the latter on an "as is" or "past performance" basis.

Further on, at page 136, the article says:

The British Government may not control the price of lumber and plywood by the time these mills are running, but it surely will control fats and oils for a long time. It seems determined, indeed, to peg them until the world supply, now a bare 17,500,000 tons, is somewhere near the 22,000,000 tons needed to put per capita consumption on a prewar basis. \* \* \* One of the arguments for the merger of the Dutch margarine and British soap interests that resulted in the Unilever combine was that together they could buy more than a third of the 5,800,000 tons of fats and oils normally handled in international commerce. Unilever was accordingly charged with having a powerful depressing influence on world prices.

There was one fellow over there who objected to the monopoly. His name was Zik. He is a well-educated man, with a gift for noble phraseology. So that everyone who reads the RECORD may know what happened to him when he fought this gang, I ask unanimous consent to have that part of the article, commencing on page 142, with the paragraph starting with the words "the situation presents," through to the end of the article on page 144, inserted in the RECORD at this point in my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the portion of the article referred to was ordered to be printed in the RECORD, as follows:

The situation presents obvious and enormous opportunities for a demagog, and one has appropriately arisen. The most publicized native in West Africa is one Dr. Nnamdi Azikiwe, better known as Dr. Zik, a well-educated man with a gift for noble phraseology. He prints several Nigerian papers, and his program is independence for Nigeria, justice for the Africans, "the right to work if a man has to," freedom from UAC, the destruction of AWAM, and so on. Frequently he is unintentionally funny. One of his papers recently created a particularly anguished furor with the news that a UAC manager employed a dog, as night watchman at a higher wage than he paid some of his help. Dr. Zik's editors missed the point. This manager, who has since been fired, used the dog to patrol his place and hit upon the whimsical and touching idea of entering the dog's name on his pay roll along with several fictitious names.

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he is, on the ground that only a small literate minority knows him. UAC and the other Europeans almost certainly underestimate him, just as they tend to underestimate the forces that have generated him.

UAC has done something to improve its relations with the natives. It has appointed a personnel manager, and has sent several of its African managers on extended trips through the United Kingdom. It has set up pensions and sick-leave benefits. For economy as well as good will it makes a policy of upgrading native personnel to managerial jobs as soon as they can handle them. In Togoland, all its staff is African. Although Africans are generally paid considerably less for the same work, most students of West African economics agree that equal pay for equal work would be a mistake. It costs the European much more than the native to live in the Tropics, and a European scale for the African, besides being too far out of line with the lowest native wages, would tend to keep him out of government and business jobs that he should be trained to hold. But even when the native sees the point of this concept, which he rarely does, he naturally believes that UAC abuses it. During the war, UAC upgraded many Africans, and in the inevitable housecleaning after the war some lost out. The instinctive native reaction that the company was reviving color discrimination was taken up by the Zik press.

What UAC has on its hands, in other words, is a full-blown public-relations race problem about which it ought to do more than it has done. It could, for example, give thoroughgoing courses in race relations to young trainees and future managers, who now go down to Africa with only their own wisdom and imperfect knowledge to guide them. London seems to have decided it has a responsibility to the native, and Lord Trenchard has stated that it is UAC policy to cooperate more and more with colonial governments, but the company surely has not been able to sell itself or its good intentions to the natives. It might well study the methods of old Lord Leverhulme, who was as hardboiled as they come but knew what he was up against. "A native," he wrote in 1924, "cannot organize. He cannot run even a wooding post on the river satisfactorily." Nevertheless he felt that it was important to generate their good will, and suggested the publication of a magazine for African distribution with a cover showing a white hand clasping a black one and helping the native up a hill. The diagram might make a few sophisticated Africans guffaw, but the motive behind the idea is today more relevant than ever.

The VICE PRESIDENT. At this point, if the Senator from North Dakota will permit, the Chair lays before the Senate a telegram from Richard L. Duncan, of the Falls Cities Cooperative Milk Producers' Association, Louisville, Ky., relating to the repeal of oleomargarine taxes. Without objection, the telegram will be printed in the RECORD, and lie on the table. The Chair hears no objection.

The telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

LOUISVILLE, KY., January 9, 1950.

Mrs. FLO BRATTON,  
Office, Vice President, Senate Office Building.

Will you please convey to Mr. BARKLEY the following message?

The real issue in the oleo controversy is the color, yellow. Our amendment takes tax off all oleo and it is not our desire to prohibit sale of oleo; every day that our 65,000,000 meals served in public eating places you and I and other millions cannot tell difference between butter and high-grade oleo product

colored yellow. The three alternates in oleo bill for identification purposes will not be effective and cannot be enforced. Our bill leaves color issue up to individual States. Since dairy farmers' amendment takes tax off oleo and complies with Democratic platform relative to oleo legislation, we sincerely request that you ask administration and leaders to reverse pressure and line up with two and one-half million dairy farmers. The present administration objective merely aids 30 oleo manufacturers who have stirred up consumers on tax issue with \$6,000,000 worth of propaganda. Please help us to get a square deal. Thanks.

RICHARD L. DUNCAN,  
Falls Cities Cooperative Milk Producers Association.

Mr. LANGER. We now come to volume 3 of Fortune, with its article concerning this great monopoly. It is the issue of February 1948. As I said, the first one was the issue of December 1947, the next, January 1948. I want to quote what one of their directors said. Perhaps some of those who have been voting to give billions of dollars away will not be quite so anxious to continue doing so when they understand the attitude of certain people. The article gives the names. It shows that this outfit has directors. This great trust operates in the United States, the general manager of which is in charge of the Jefferson-Jackson Day dinners for the Democratic Party—the one man they chose out of 150,000,000 other persons in the United States.

Let me tell the Senate where this outfit operates and where it has its factories.

It has factories in Belgium, Denmark, France, Finland, Germany, Netherlands, Italy, Norway, Sweden, Switzerland, Austria, Czechoslovakia, Poland, Hungary, Yugoslavia, Rumania, Belgian Congo, Burma, China, India, Ceylon, Siam, Newfoundland, Canada, British East Africa, and Egypt.

When the Democrats looked around for a good general manager, one who had a wide acquaintance, they certainly chose a good man, because his companies operate in all these countries, and he can sell tickets at \$100 apiece to Jefferson-Jackson Day dinners.

I continue: Palestine, North and South Rhodesia, Union of South Africa, Australia, New Zealand, Pakistan, Philippine Republic, Malaya, Netherlands East Indies, and the Solomon Islands.

It may be that the Democrats should give a prize to those who sell the most tickets to the Jefferson-Jackson Day dinners.

This monopoly also has factories in Uruguay, Argentina, Chile, Brazil, and the Canary Islands.

I do not know whether there will be any canaries singing at the Jefferson-Jackson Day dinners.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. THYE. To what kind of plants is the Senator referring?

Mr. LANGER. I am referring to the plants of this one giant monopoly, the chairman of which is the general manager of the Jefferson-Jackson Day dinners for the Democratic Party.

Mr. THYE. In what are they engaged?

Mr. LANGER. They are engaged in manufacturing margarine.

Mr. THYE. And selling it?

Mr. LANGER. Yes.

Mr. THYE. If they should be permitted to color oleomargarine without paying a Federal tax, the ability of this great organization to make sales would make it possible to flood this country with oleomargarine to such an extent that butter would no longer be found on the market.

Mr. LANGER. That is exactly the point. They are hiring native labor at 20 cents a day.

Mr. THYE. With such sales ability they could sell oleomargarine to persons who did not even want to use it. Will the Senator give us the name of the corporation, in order that we shall not lose sight of the Senator's argument?

Mr. LANGER. It is known as Lever Bros. in the United States, and outside the United States it is known as Unilever, Ltd.

Mr. THYE. What is the name of the general manager?

Mr. LANGER. Charles Luckman. I want the Senator to see his picture.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. LANGER. I yield.

Mr. THYE. Does the Senator think that the butter and milk producers of North Dakota would have any chance to sell their product against such ability as that which the Senator has indicated?

Mr. LANGER. I can quote a letter from the dairy commissioner of North Dakota, William J. Murphy, saying that that kind of competition would be absolutely ruinous to the dairy farmers.

Mr. THYE. The very backbone and strength of the producers in the Senator's State, as well as the Minnesota producers, are the dairy farmer and the livestock man, because they can weather a drought and can carry livestock through even an extremely dry season, which would kill the wheat and barley crops. But if this international organization, with its ability to sell, and its ability to capture man's imagination by pictures and artistic drawings, could take the market, the farmer, who is dependent on his small cream check, would be put out of business. That is what the Senator is trying to show us, is it not?

Mr. LANGER. I may say to the distinguished Senator that when the drought was very severe in the Northwestern States, butterfat dropped to 16 cents, but the farmers were able to exist because even at 16 cents they could manage to make a small amount of profit. I assure the Senator, however, that if this outfit comes into the United States, spending \$50,000,000 for advertising, how, in heaven's name, can the farmers of the Northwest compete?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. HUMPHREY. Is it not a fact that this outfit is already in the United States—the John Jelke Co.?

Mr. LANGER. Yes.

Mr. HUMPHREY. Is it not a fact that the president of that company said that

the oleomargarine plants under the control of this company would be the biggest oleomargarine plants in the world?

Mr. LANGER. That is their boast.

Mr. HUMPHREY. It is a company which now produces 75 percent of all the oleomargarine for Europe, outside the Soviet Union, and we are asked to place our dairy farmers and independent operators against that sort of an industrial giant.

Mr. LANGER. That is correct. The people took the Democratic Party at its word, and the dairy farmers helped to elect that party, acting upon the word of the President of the United States in his Philadelphia speech.

Mr. HUMPHREY. Does the Senator recall that yesterday, when I was delivering my remarks, I made some mention of the fact that the farmers of this country had some idea of what was in the platform, speaking of the Democratic Party platform?

Mr. LANGER. Yes.

Mr. HUMPHREY. I also went on to say that the farmers had something to do with the result of the election, and I pointed out that no monopoly was going to be able to do for the people of the country what the farmers were able to do for them.

I further pointed out that this was not an issue as to whether oleo was to the best interests of the consumer, but an issue between the independent operator and a giant international cartel which has been masquerading around this country until I think it has even fooled the Democratic Party. I do not suppose there is one Democrat out of a million who realizes the connections and ramifications of this international cartel. Many Democrats will be embarrassed after the pronouncements which have been made here by the Senator from North Dakota. I think the best way for them to save their face is to vote for the Gillette-Wiley substitute and to vote down House bill 2023 and investigate this oleo monopoly and cartel. I think that would save the day, and we could then go home with clean consciences.

Mr. LANGER. I agree with the Senator, but I think we should also investigate how, in heaven's name, the Democratic Party, at a time when the Attorney General of the United States was bringing a case against this monopoly, could name the general manager of that outfit as general manager of the Jefferson-Jackson Day dinners all over the United States.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. LANGER. I yield.

Mr. HUMPHREY. I think we as Democrats must say we are deeply indebted to the distinguished Senator from North Dakota on an occasion when it is very difficult to find out his politics. He is a good nonpartisan leader—

Mr. LANGER. I am a good nonpartisan all the time.

Mr. HUMPHREY. That is wonderful. It requires that sort of a clean-cut mind frankly to state the case. We did not receive any information from the policy committee of the Republican Party as to what was happening to us. So we want to thank the North Dakota nonpartisan

leader for the great insight he has given to us and for the help he has given to some of us who are just as much against monopoly as he is. I may say to him that both the Democrats and the Republicans are somewhat guilty of lip service in the fight against monopoly.

Much talk has been heard throughout the country about monopoly and about our dislike of it, but neither party has had the courage to do much about it. I think one of the reasons for that is that the Republicans are involved in it so deeply they do not dare talk, and the Democrats have been dirtied up with it a little bit so that they do not dare talk. So, not being a monopolist myself, coming from a Democrat-farmer-labor State, at least from a progressive State, where even the Republicans are progressive, I should like to join with the Senator from North Dakota.

Perhaps it would be a good idea for us to join up and call both parties to task and say, let us come clean on the question of trusts, monopolies, and cartels, let us enforce the law, give the antitrust division the money it needs, and not do as we did a few years ago, take away some of the money. Let us give them some of the attorneys they need, too.

Mr. LANGER. One way by which the Senator can do that is to buy a membership in the Non-Partisan League of North Dakota for \$16 a year. [Laughter.]

Mr. HUMPHREY. I should be delighted to buy such a membership if I only lived in the great State of North Dakota, but since we are being so gracious to each other, possibly we could exchange honorary memberships. I could give the Senator one of ours in the Democrat-Farmer-Labor Party in Minnesota, which, by the way, is only a dollar [laughter], and I should be glad to accept the \$16 one from North Dakota.

Mr. LANGER. We will negotiate.

Mr. FULBRIGHT. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Inasmuch as we are talking practical politics, if the Senator feels that what is done will have a great influence on the farmers, it seems to me he might insist that the Democrats are making a great mistake in repealing this law, and then perhaps the Republicans might have a chance to win an election sometime.

Mr. LANGER. The regular Republican Party is not interested in WILLIAM LANGER. I am in a branch of it by myself, the farmer-labor branch of the Republican Party, and I am protecting its interest here today.

Mr. WILEY. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from Wisconsin.

Mr. WILEY. I desire to compliment the distinguished Senator from North Dakota, first, because he has brought to the attention of the country a very significant fact, namely, the choice of Mr. Luckman by the Democrats—I must say that when I have listened to my good friend from Minnesota, this corporation would appear to be lily pure, as he made it out.

The Senator is entitled to credit for having brought to the attention of the country that much of the lip service on the Democratic side of the Senate against what are called trusts, corporate interests, is nothing but lip service.

They have put in charge of the Jackson Day dinner one of the great outstanding economic royalists of the country. What is more, they precipitate, at the same time, into the forum of America the very significant fact, which is entitled to a great deal of consideration, that those who are pushing this fight to take color from butter and give it to oleo are likely to succeed unless we have more men of courage and understanding like the Senator from North Dakota.

I should like to ask a question of the distinguished Senator from North Dakota. Does the Senator remember that it was Lever Bros. who went into court to sustain their right to the color of a certain soap?

Mr. LANGER. Yes; I remember that, and I shall read that into the RECORD later.

Mr. WILEY. That is significant, Mr. President, when we consider not only the 2,500,000 farmers whose economic life is involved, but all the others in the chain of economic living who are connected with the farmers and whose subsistence is dependent upon whether or not the oleo monopoly shall take more of the spread market than they already have. Stop and think of it. The spread market in this country consists of about 2,300,000,000 pounds. Already this year, the evidence shows, oleo interests have captured 40 percent of that spread market, or more than 900,000,000 pounds.

Another significant thing is that less than 10 percent of that spread is in the yellow color. Why do they want to use the yellow color? They want to use it merely just to perpetuate their monopolistic activities.

I should like to say to the Senator that the American people owe him a tremendous debt, because he has demonstrated for the first time on the floor of the Senate the fact that the Democratic Party, which has posed all the time as the party of the people, the party of the common man, as serving the interests of the common man, is now really serving the interests of one of the greatest monopolies, not only in the United States, but in the world.

The distinguished Senator from North Dakota has said something about monopoly in this country. Does he know that this same organization is spending \$25,000,000 putting up plants in California? The purpose of that, of course, is to take over the west-coast spread, as we call it. In California the same monopoly has been selling oleomargarine for as low as 20 cents and as high as 60 cents. What is more, in order to capture that spread, they have indulged in the practice of giving to anyone who buys 1 pound of yellow oleomargarine a certificate entitling him to a free pound.

Again I say, let us consider the terrific impact upon the economic life of the country if the business of some 3,000,000 farmers and those who are connected with them is paralyzed. That is something we cannot reckon. It may

start a tailspin that cannot be stopped. Personally, I think it would be something really catastrophic.

We have heard on the floor of the Senate debate on danger in the foreign field—in China, in Formosa—and debate about Tito. I think the idea that the green pastures are always farther afield is a wrong philosophy. I think we had better look to our own pastures and see whether or not something should be done here.

I trust that I have given the Senator a sufficient respite so that he can carry on. I thank him for the privilege of interjecting these remarks at this time into his very illuminating address. I say again, I congratulate the Senator. He has brought to the attention of the American people the fact that the Democrats have put at the head of their organization one of the greatest economic royalists in America, and that they now expect they will be able to fool the Senate of the United States into giving back to him a monopoly of the oleomargarine business in America.

Mr. LANGER. I thank the distinguished Senator, and I wish to make it plain that not only is Mr. Luckman's company one of the greatest monopolies, but it is the greatest. This organization is bigger than United States Steel, and bigger than General Motors, far, far bigger. Actually, what the Democrats have done is a shameful, disgraceful thing. It is an insult to every real, true, honest Democrat in this country.

Mr. FULBRIGHT. Will the Senator yield?

Mr. LANGER. I yield.

Mr. FULBRIGHT. I did not understand the question which the Senator from Wisconsin asked. What was the question he asked?

Mr. LANGER. Whether or not the appointment of this man Luckman was a shame and a disgrace to the Democratic Party, and I said it was. That was the question.

Mr. WILEY. Silence lends consent.

Mr. LANGER. I had not finished giving the names of the countries where this monopoly operates. The list continues:

46. Iraq.
47. Iran.
48. Morocco.
49. Canary Islands.
50. Gambia.
51. Portuguese Guinea.
52. French Guinea.
53. Sierra Leone.
54. Liberia.
55. Ivory Coast.
56. Gold Coast.
57. French Togo.
58. Dahomey.
59. Nigeria.
60. French Equatorial Africa.
61. French Cameroons.
62. Spanish Guinea.
63. Gabon.
64. Belgian Congo.
65. Uganda.
66. Tanganyika.
67. Seychelles.
68. Union of South Africa.

So this outfit is now operating in 68 different countries.

On page 167 is given a list of what this great monopoly sold in 1946. It totals \$1,364,147,000. I think the people of the

United States are entitled to know what this company is and where it operated, and what it sold and traded in and dealt in. It dealt in household and laundry soaps, in soap powders, in flake soaps, in toilet soaps, in medicated soaps, in scourers, in soapless detergents, and in water softeners.

When it comes to oleomargarine, it has offices in Solo, Belgium; Astra, France and in numerous other countries. The combine sold \$216,621,000 worth of oleomargarine, edible oils, and fats in the countries in which it operated. The combine sold canned vegetables, tea, and soups, baby foods, dried fruits, meat and fish pastes.

The combine also sold animal feeding stuffs.

It also sold chemicals, glycerin, bone products, candles, coal, fertilizers, ice, tallow, greases, residues from oil refining, starch derivatives, and received revenue from activities such as printing and packing.

The combine further sold toilet preparations of every conceivable kind, including dental preparations, perfumes, lotions, toilet waters, talcs, shaving cream and sticks, face powders, face creams, shampoos, and hair dressings, and ointments.

Further the combine sold \$382,262,000 worth of vegetables and animal oils and fats.

It also sold merchandise in the amount of \$143,850,000.

Its produce sales amounted to \$114,275,000.

Then it rendered services amounting to \$16,269,000 on its steamship line, boats on the Niger and the Congo, and road transport in the United Kingdom.

Mr. President, I shall read a letter from the dairy commissioner of North Dakota, in answer to the question asked by the distinguished Senator from Wisconsin respecting this monopoly having brought a lawsuit, to which the dairy commissioner refers in his letter, to prevent the imitation of any one of the products the combine deals in. The letter is dated January 6, 1950, as follows:

DEAR SENATOR: I am again asking for your help in behalf of the dairy farmers of North Dakota. The oleomargarine bill is before the Senate for debate, but I would first like to express the appreciation of the dairy farmers of North Dakota for the assistance you have given us during previous sessions of Congress on this controversial issue.

Mr. President, let me digress to say that when the oleomargarine bill was previously before the Senate I offered an amendment to it which dealt with the subject of civil rights. That was about a year ago. I may say that the pending measure, if passed, will ruin thousands of farmers in the State of North Dakota. They have asked me to present at this time the same amendments to the oleomargarine bill that I presented a year ago. The first amendment I have prepared deals with the poll tax. The amendment is short. I wish to read the important part of it, and I shall offer it as an amendment to the pending measure. I read as follows:

The requirement that a poll tax be paid as a prerequisite to voting or registering to vote at primaries or other elections for Presi-

dent, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, is not and shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and other elections for said national officers and attacks upon the right or privilege of voting for said national officers.

I shall not read the other sections. I offer the amendment as an amendment to the pending bill itself, and not to the Wiley-Gillette substitute.

Mr. MAYBANK. Mr. President, does the Senator have any objection to the amendment in full being read at the desk?

Mr. LANGER. I have no objection whatever to the amendment being read by the clerk.

The PRESIDING OFFICER (Mr. SCHOEFFEL in the chair). The clerk will read the amendment as requested.

The legislative clerk read as follows:

Amendments intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

On page 4, line 19, after the word "of", insert "the foregoing provisions of."

On page 5, line 3, strike out the word "This", and insert in lieu thereof "The foregoing provisions of this."

On page 5, after line 6, add the following new sections:

"Sec. . . The requirement that a poll tax be paid as a prerequisite to voting or registering to vote at primaries or other elections for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, is not and shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers, within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and other elections for said national officers and a tax upon the right or privilege of voting for said national officers.

"Sec. . . It shall be unlawful for any State, municipality, or other government or governmental subdivision to prevent any person from voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President or for Senator or Member of the House of Representatives, on the ground that such person has not paid a poll tax, and any such requirement shall be invalid and void insofar as it purports to disqualify any person otherwise qualified to vote in such primary or other election. No State, municipality, or other government or governmental subdivision shall levy a poll tax or any other tax on the right or privilege of voting in such primary or other election, and any such tax shall be invalid and void insofar as it purports to disqualify any person otherwise qualified from voting at such primary or other election.

"Sec. . . It shall be unlawful for any State, municipality, or other government or governmental subdivision to interfere with the manner of selecting persons for national office by requiring the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, and any such requirement shall be invalid and void.

"Sec. . . It shall be unlawful for any person, whether or not acting under the cover

of authority of the laws of any State or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote in any primary or other election for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives."

Mr. LANGER. Mr. President, I ask that that amendment be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

Mr. LANGER. Mr. President, I now send to the desk and ask to have read, an amendment which is an exact copy of the so-called Ferguson antilynching bill. I offer it as an amendment to the pending bill, and ask that it be printed and lie on the table, and that it be read by the clerk.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and, without objection, the clerk will read it.

The legislative clerk read as follows:

Amendments intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, and for other purposes, viz:

On page 4, line 19, after the word "of", insert "the foregoing provisions of."

On page 5, line 3, strike out the word "This" and insert in lieu thereof the following "The foregoing provisions of this."

On page 5, after line 6, add the following new sections:

#### "PURPOSE

"Sec. 7. To guarantee, insofar as it lies within the constitutional power of the Congress so to do within the subject matter of sections 7-18 hereof, (a) that each and every citizen of the United States be secured in the equal protection of the laws of the United States, and of the several States, and (b) that no citizen of the United States be deprived of life, liberty, or property without due process of law, the Congress, in the exercise of all powers which it possesses, does hereby legislate with respect to the crime of lynching as hereinafter defined.

#### "DEFINITIONS

"Sec. 8. Any assemblage of two or more persons which shall, without authority of law, exercise or attempt to exercise, by acts of physical force against person or property, any power of correction or punishment over any person, who is (1) in the custody of any peace officer, or (2) charged with or convicted of the commission of any criminal offense, or (3) suspected by such assemblage of the commission of any criminal offense, with the purpose or consequence of preventing the apprehension or trial or punishment by law of such person, or of imposing a punishment, shall constitute a lynch mob within the meaning of sections 7-18 of this act. Any such exercise of power or attempt to exercise power by a lynch mob shall constitute lynching within the meaning of sections 7-18 of this act.

#### "CONSPIRACY BETWEEN MEMBERS OF LYNCH MOB AND FEDERAL OR STATE OFFICERS

"Sec. 9. Whenever a lynching occurs, any member of the lynch mob who conspires with any officer or employee of the United States or of a State or governmental subdivision thereof who is charged with the duty or possesses the authority as such officer or employee to prevent the lynching or to protect the person lynched, and any such officer or employee who conspires with any member of the lynch mob, to commit, instigate, incite, organize, aid, or abet the lynching shall be guilty of a felony and upon conviction thereof shall be punished by a fine not ex-

ceeding \$10,000 or by imprisonment not exceeding 20 years, or by both such fine and imprisonment.

#### "PUNISHMENT UPON STATE OFFICERS AND EMPLOYEES FOR WILLFUL FAILURE TO PREVENT LYNCHING

"Sec. 10. Whenever a lynching shall occur, any officer or employee of a State or any governmental subdivision thereof, who shall have been charged with the duty or shall have possessed the authority as such officer or employee to prevent the lynching, but shall have willfully failed or refused to make all reasonable efforts to do so, and any officer or employee of a State or governmental subdivision thereof who, under authority or duty granted or imposed by law of such State, shall have had custody of the person lynched and shall have willfully failed or refused to make all reasonable efforts to protect such person from lynching, shall be guilty of a felony and upon conviction thereof shall be punished by a fine not exceeding \$5,000 or by imprisonment not exceeding 5 years, or by both such fine and imprisonment.

#### "PUNISHMENT UPON FEDERAL OFFICERS AND EMPLOYEES FOR WILLFUL FAILURE TO PREVENT LYNCHING

"Sec. 11. Whenever a lynching shall occur, any officer or employee of the United States, (1) who shall have been charged with the duty or shall have possessed the authority as such officer or employee to prevent the lynching, but shall have willfully failed or refused to make all reasonable efforts to do so; or (2) who, under authority or duty granted or imposed by the law of the United States, shall have had custody of the person lynched and shall have willfully failed or refused to make all reasonable efforts to protect such person from lynching; or (3) who, in violation of his duty as such officer or employee, shall willfully fail or refuse to make all reasonable efforts to apprehend, keep in custody, or prosecute any person who violates section 9, section 10, or this section, shall be guilty of a felony and upon conviction thereof shall be punished by a fine not exceeding \$5,000 or by imprisonment not exceeding 5 years, or by both such fine and imprisonment.

#### "DUTY OF THE ATTORNEY GENERAL OF THE UNITED STATES

"Sec. 12. Whenever a lynching of any person shall occur, and information on oath is submitted to the Attorney General of the United States that any officer or employee of the United States or of a State or any governmental subdivision thereof who shall have been charged with the duty or shall have possessed the authority as such officer or employee to protect such person from lynching, or who, under authority or duty granted or imposed by the law of the United States or of such State, respectively, shall have had custody of the person lynched, has willfully failed or refused to make all reasonable efforts to protect such person from lynching or that any officer or employee of the United States, in violation of his duty as such officer or employee, has willfully failed or refused to make all reasonable efforts to apprehend, keep in custody, or prosecute any person who has violated section 9, section 10, or section 11 of this act, the Attorney General of the United States shall cause an investigation to be made to determine whether there has been any violation of sections 7-18 of this act. The duty imposed by this section shall be in addition to all other duties of the Attorney General.

#### "CIVIL ACTIONS BY INDIVIDUALS LYNCHED

"Sec. 13. (a) Any individual who is lynched, as defined in section 8 of this act, and who suffers injury to his person or damage to his property as a result of the lynching, or the next of kin of any such individual if such injury results in death, shall be entitled to maintain a civil action for damages for such

injury, damage, or death against any person violating section 9, section 10, or section 11 of this act with respect to such lynching: *Provided*, That the satisfaction of judgment against one person who may be liable shall bar further proceedings under this section, by the individual who has obtained satisfaction of his judgment, against any other person who may also be liable.

"(b) Actions provided by this section shall be brought in the United States district court for the judicial district of which the defendant is a resident. Any such action may be brought and prosecuted by the Attorney General of the United States or his authorized representative in the name of the United States for the use of the real party in interest, or, if the claimant shall so elect, by counsel employed by the claimant, but in any event without prepayment of costs. If the amount of any such judgment shall not be paid upon demand, payment thereof may be enforced by any process, and to the extent, available under the State law for the enforcement of any other money judgment against the defendant. The cause of action accruing hereunder to a person injured by lynching shall not abate with the subsequent death of that person before final judgment but shall survive to his next of kin. For the purpose of this section the next of kin of a deceased victim of lynching shall be determined according to the laws of intestate distribution of the State of domicile of the decedent. Any judgment under this section shall be exempt from all claims of creditors.

#### "PLACE OF HOLDING TRIALS

"Sec. 14. (a) Any judge of the United States district court for the judicial district wherein any civil action is instituted under the provisions of section 13 of this act may by order direct that such action be tried in any place in such district as he may designate in such order.

"(b) Any judge of the United States district court for the judicial district wherein any criminal action is instituted under the provisions of section 9, section 10, or section 11 of this act may by order direct that such action be tried in any place in such district as he may designate in such order: *Provided*, That where possible no such criminal action shall be tried within the territorial limits of any city or county within which the lynching, which is a basis for such action, occurred.

#### "APPLICATION OF KIDNAPING LAW TO LYNCHING

"Sec. 15. The crime defined in and punishable under the act of June 22, 1932 (47 Stat. 326), as amended, shall include the transportation in interstate or foreign commerce of a person who is unlawfully abducted with intent to lynch or to aid in lynching such person and who is subsequently lynched or held for purposes of lynching.

#### "APPLICABILITY TO OFFICERS AND EMPLOYEES OF THE TERRITORIES AND POSSESSIONS AND OF THE DISTRICT OF COLUMBIA

"Sec. 16. The term 'officer or employee of the United States' as used in this act includes an officer or employee of any Territory or possession of the United States, or of the District of Columbia.

#### "SEPARABILITY CLAUSE

"Sec. 17. If any particular provision, sentence, or clause of sections 7-18 of this act, or the application thereof to any particular person or circumstance, is held invalid, the remainder of said sections, and the application of such provision, sentence, or clause to other persons or other circumstances, shall not be affected thereby.

#### "SHORT TITLE

"Sec. 18. Sections 7-18 of this act may be cited as the 'Federal Antilynching Act.'

Mr. LANGER. Mr. President, I ask that the amendments be printed and lie

on the table as amendments to House bill 2023, not as amendments to the Gillette-Wiley amendment in the nature of a substitute.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. LANGER. Mr. President, I now send to the desk, and ask to have printed and lie on the table, an amendment known as the FEPC amendment. I offer it as an amendment to House bill 2023, not as an amendment to the Wiley-Gillette amendment in the nature of a substitute.

I ask that the amendment be read by the clerk.

The PRESIDING OFFICER. Without objection, the amendment will be read.

The legislative clerk read as follows:

Amendments intended to be proposed by Mr. LANGER to the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, viz:

On page 4, line 19, after the word "of" insert "the foregoing provisions of."

On page 5, line 3, strike out the word "This" and insert in lieu thereof "The foregoing provisions of this."

On page 5, after line 6, add the following new sections:

#### "SHORT TITLE

"Sec. 7. Sections 7 to 21, inclusive, of this act may be cited as the "National Act Against Discrimination in Employment."

#### "FINDINGS AND DECLARATION OF POLICY

"Sec. 8. (a) The Congress hereby finds that the practice of discriminating in employment against properly qualified persons because of their race, religion, color, national origin, or ancestry is contrary to the American principles of liberty and of equality of opportunity, is incompatible with the Constitution, forces large segments of our population into substandard conditions of living, foments industrial strife and domestic unrest, deprives the United States of the fullest utilization of its capacities for production, endangers the national security and the general welfare, and adversely affects the domestic and foreign commerce of the United States.

"(b) The right to employment without discrimination because of race, religion, color, national origin, or ancestry is hereby recognized as and declared to be a civil right of all the people of the United States.

"(c) This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof to promote 'universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.'

"(d) It is hereby declared to be the policy of the United States to protect the right recognized and declared in subdivision (b) hereof and to eliminate all such discrimination to the fullest extent permitted by the Constitution. This act shall be construed to effectuate such policy.

#### "DEFINITIONS

"Sec. 9. As used in sections 7 to 21, inclusive, of this act—

"(a) The term 'person' includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, receivers, or any organized group of persons and any agency or instrumentality of the United States or of any Territory or possession thereof.

"(b) The term 'employer' means a person engaged in commerce or in operations affecting commerce having in his employ 50 or more individuals; any agency or instrumentality of the United States or of any Territory or possession thereof; and any person acting in the interest of an employer, directly or indirectly.

"(c) The term 'labor organization' means any organization, having 50 or more members employed by any employer or employers, which exists for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, terms, or conditions of employment, or for other mutual aid or protection in connection with employment.

"(d) The term 'commerce' means trade, traffic, commerce, transportation, or communication among the several States; or between any State, Territory, or the District of Columbia and any place outside thereof; or within the District of Columbia or any Territory; or between points in the same State but through any point outside thereof.

"(e) The term 'affecting commerce' means in commerce, or burdening or obstructing commerce or the free flow of commerce.

"(f) The term 'Commission' means the National Commission Against Discrimination in Employment, created by section 12 hereof.

"(g) The term 'act' as used in sections 7 to 21, inclusive, means the National Act Against Discrimination in Employment.

#### "EXEMPTIONS

"Sec. 10. This act shall not apply to any State or municipality or political subdivision thereof, or to any religious, charitable, fraternal, social, educational, or sectarian corporation or association, not organized for private profit, other than labor organizations.

#### "UNLAWFUL EMPLOYMENT PRACTICES DEFINED

"Sec. 11. (a) It shall be an unlawful employment practice for an employer—

"(1) to refuse to hire, to discharge, or otherwise to discriminate against any individual with respect to his terms, conditions, or privileges of employment, because of such individual's race, religion, color, national origin, or ancestry;

"(2) to utilize in the hiring or recruitment of individuals for employment any employment agency, placement service, training school or center, labor organization, or any other source which discriminates against such individuals because of their race, religion, color, national origin, or ancestry.

"(b) It shall be an unlawful employment practice for any labor organization to discriminate against any individual or to limit, segregate, or classify its membership in any way which would deprive or tend to deprive such individual of employment opportunities, or would limit his employment opportunities or otherwise adversely affect his status as an employee or as an applicant for employment, or would affect adversely his wages, hours, or employment conditions, because of such individual's race, religion, color, national origin, or ancestry.

"(c) It shall be unlawful employment practice for any employer or labor organization to discharge, expel, or otherwise discriminate against any person, because he has opposed any unlawful employment practice or has filed a charge, testified, participated, or assisted in any proceedings under this act.

#### "THE NATIONAL COMMISSION AGAINST DISCRIMINATION IN EMPLOYMENT

"Sec. 12. (a) There is hereby created a commission to be known as the National Commission Against Discrimination in Employment, which shall be composed of seven members who shall be appointed by the President by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of 1 year, one for a term of 2 years, one for a

term of 3 years, one for a term of 4 years, one for a term of 5 years, one for a term of 6 years, and one for a term of 7 years, but their successors shall be appointed for terms of seven years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Commission. Any member of the Commission may be removed by the President upon notice and hearing for neglect of duty or malfeasance in office, but for no other cause.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and three members thereof shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noticed.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the cases it has heard; the decisions it has rendered; the names, salaries, and duties of all individuals in its employ and the moneys it has disbursed; and shall make such further reports on the cause of and means of eliminating discrimination and such recommendations for further legislation as may appear desirable.

"(e) Each member of the Commission shall receive a salary of \$10,000 a year.

"(f) The principal office of the Commission shall be in the District of Columbia, but it may meet or exercise any or all of its powers at any other place and may establish such regional offices as it deems necessary. The Commission may, by one or more of its members or by such agents as it may designate, conduct any investigation, proceeding, or hearing necessary to its functions in any part of the United States. Any such agent designated to conduct a proceeding or a hearing shall be a resident of the Federal judicial circuit, as defined in sections 116 and 308 of the Judicial Code, as amended (U. S. C. Annotated, title 28, secs. 211 and 450), within which the alleged unlawful employment practice occurred.

"(g) The Commission shall have power—

"(1) to appoint such agents and employees as it deems necessary to assist it in the performance of its functions;

"(2) to cooperate with regional, State, local, and other agencies;

"(3) to pay to witnesses whose depositions are taken or who are summoned before the Commission or any of its agents the same witness and mileage fees as are paid to witnesses in the courts of the United States;

"(4) to furnish to persons subject to this act such technical assistance as they may request to further their compliance with this act or any order issued thereunder;

"(5) upon the request of any employer, whose employees or some of them refuse or threaten to refuse to cooperate in effectuating the provisions of this act, to assist in such effectuation by conciliation or other remedial action;

"(6) to make such technical studies as are appropriate to effectuate the purposes and policies of this act and to make the results of such studies available to interested governmental and nongovernmental agencies; and

"(7) to create such local, State, or regional advisory and conciliation councils as in its judgment will aid in effectuating the purpose of this act, and the Commission may empower them to study the problem or specific instances of discrimination in employment because of race, religion, color, national origin, or ancestry and to foster through community effort or otherwise good will, cooperation, and conciliation among the groups and elements of the population, and make recommendations to the Commission for the development of policies and

procedures in general and in specific instances. Such advisory and conciliation councils shall be composed of representative citizens residents of the area for which they are appointed, serving without pay, but with reimbursement for actual and necessary traveling expenses; and the Commission may make provision for technical and clerical assistance to such councils and for the expenses of such assistance.

**"PREVENTION OF UNLAWFUL EMPLOYMENT PRACTICES**

"SEC. 13. (a) Whenever a sworn written charge has been filed by or on behalf of any person claiming to be aggrieved, or a written charge has been filed by a member of the Commission, that any person subject to the act has engaged in any unlawful employment practice, the Commission shall investigate such charge and if it shall determine after such preliminary investigation that probable cause exists for crediting such written charge, it shall endeavor to eliminate any unlawful employment practice by informal methods of conference, conciliation, and persuasion. Nothing said or done during such endeavors may be used as evidence in any subsequent proceeding.

"(b) If the Commission fails to effect the elimination of such unlawful employment practice and to obtain voluntary compliance with this act, or in advance thereof if circumstances so warrant, it shall cause a copy of such written charge to be served upon such person who has allegedly committed any unlawful employment practice, hereinafter called the respondent, together with a notice of hearing before the Commission, or a member thereof, or before a designated agent, at a place therein fixed, not less than 10 days after the service of such charge.

"(c) The member of the Commission who filed a charge shall not participate in a hearing thereon or in a trial thereof.

"(d) At the conclusion of a hearing before a member or designated agent of the Commission the entire record thereof shall be transferred to the Commission, which shall designate three of its qualified members to sit as the Commission and to hear on such record the parties at a time and place to be specified upon reasonable notice.

"(e) All testimony shall be taken under oath.

"(f) The respondent shall have the right to file a verified answer to such written charge and to appear at such hearing in person or otherwise, with or without counsel, to present evidence and to examine and cross-examine witnesses.

"(g) The Commission or the member or designated agent conducting such hearing shall have the power reasonably and fairly to amend any written charge, and the respondent shall have like power to amend its answer.

"(h) Any written charge filed pursuant to this section must be filed within 1 year after the commission of the alleged unlawful employment practice.

"(i) If upon the record, including all the testimony taken, the Commission shall find that any person named in the written charge has engaged in any unlawful employment practice, the Commission shall state its findings of fact and shall issue and cause to be served on such person an order requiring him to cease and desist from such unlawful employment practice and to take such affirmative action, including reinstatement or hiring of employees, with or without back pay, as will effectuate the policies of the act. If upon the record, including all the testimony taken, the Commission shall find that no person named in the written charge has engaged or is engaging in any unlawful employment practice, the Commission shall state its findings of fact and shall issue an order dismissing the said complaint.

"(j) Until a transcript of the record in a case shall have been filed in a court, as here-

inafter provided, the Commission may at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it.

"(k) The proceedings held pursuant to this section shall be conducted in conformity with the standards and limitations of sections 5, 6, 7, and 8 of the Administrative Procedure Act, Public Law 404, Seventy-ninth Congress, June 11, 1946.

**"JUDICIAL REVIEW**

"SEC. 14. (a) The Commission shall have power to petition any circuit court of appeals of the United States (including the Court of Appeals of the District of Columbia) or, if the circuit court of appeals to which application might be made is in vacation, any district court of the United States (including the Supreme Court of the District of Columbia) within any circuit wherein the unlawful employment practice in question occurred, or wherein the respondent transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court to which petition is made a transcript of the entire record in the proceedings, including the pleadings and testimony upon which such order was entered and the findings and the order of the Commission. Upon such filing, the court shall conduct further proceedings in conformity with the standards, procedures, and limitations established by section 10c and 10e of the Administrative Procedure Act.

"(b) Upon such filing, the court shall cause notice thereof to be served upon such respondent and thereupon shall have jurisdiction of the proceeding and of the question determined therein and shall have power to grant such temporary relief or restraining order as it deems just and proper and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission.

"(c) No objection that has not been urged before the Commission, its member, or agent shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

"(d) If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Commission, its member, or agent, the court may order such additional evidence to be taken before the Commission, its member, or agent and to be made a part of the transcript.

"(e) The Commission may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings and its recommendations, if any, for the modification or setting aside of its original order.

"(f) The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals, if application was made to the district court as hereinafter provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

"(g) Any person aggrieved by a final order of the Commission may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unlawful employment practice in question was alleged to have been engaged in or wherein such person transacts business, by filing in such court a written petition praying that

the order of the Commission be modified or set aside. A copy of such petition shall be forthwith served upon the Commission and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding certified by the Commission, including the pleadings and testimony upon which the order complained of was entered and the findings and order of the Commission. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Commission under subsection (a), and shall have the same exclusive jurisdiction to grant to the petitioner or the Commission such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission.

"(h) Upon such filing by a person aggrieved the reviewing court shall conduct further proceedings in conformity with the standards, procedures, and limitations established by sections 10a and 10b of the Administrative Procedure Act.

"(i) The commencement of proceedings under subsection (a) or (g) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

**"INVESTIGATORY POWERS**

"SEC. 15. (a) For the purpose of all investigations, proceedings, or hearings which the Commission deems necessary or proper for the exercise of the powers vested in it by this act, the Commission, or any member thereof, shall have power to issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any investigation, proceeding, or hearing before the Commission, its member, or agent conducting such investigation, proceeding, or hearing.

"(b) Any member of the Commission, or any agent designated by the Commission for such purposes, may administer oaths, examine witnesses, and receive evidence.

"(c) Such attendance of witnesses and the production of such evidence may be required, from any place in the United States or any Territory or possession thereof, at any designated place of hearing.

"(d) In case of contumacy or refusal to obey a subpoena issued to any person under this act, any district court of the United States, or the United States courts of any Territory or possession, or the Supreme Court of the District of Columbia, within the jurisdiction of which the investigation, proceeding, or hearing is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Commission shall have jurisdiction to issue to such person an order requiring him to appear before the Commission, its member, or agent, there to produce evidence if so ordered, or there to give testimony relating to the investigation, proceeding, or hearing.

"(e) No person shall be excused from attending and testifying or from producing documentary or other evidence in obedience to the subpoena of the Commission, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The immunity herein provided shall extend only to natural persons so compelled to testify.

**"ENFORCEMENT OF ORDERS DIRECTED TO GOVERNMENT AGENCIES"**

"SEC. 16. The provisions of section 14 shall not apply with respect to an order of the Commission under section 13 directed to any agency or instrumentality of the United States, or of any Territory or possession thereof, or any officer or employee thereof. The Commission may request the President to take such action as he deems appropriate to obtain compliance with such orders. The President shall have power to provide for the establishment of rules and regulations to prevent the committing or continuing of any unlawful employment practice as herein defined by any person who makes a contract with any agency or instrumentality of the United States (excluding any State or political subdivision thereof) or of any Territory or possession of the United States, which contract requires the employment of at least 50 individuals. Such rules and regulations shall be enforced by the Commission according to the procedure hereinbefore provided.

**"NOTICES TO BE POSTED"**

"SEC. 17. (a) Every employer and labor organization shall post and keep posted in conspicuous places upon its premises a notice to be prepared or approved by the Commission setting forth excerpts of the act and such other relevant information which the Commission deems appropriate to effectuate the purposes of the act.

"(b) A willful violation of this section shall be punishable by a fine of not less than \$100 or more than \$500 for each separate offense.

**"VETERANS' PREFERENCE"**

"SEC. 18. Nothing contained in this act shall be construed to repeal or modify any Federal or State law creating special rights or preferences for veterans.

**"RULES AND REGULATIONS"**

"SEC. 19. (a) The Commission shall have authority from time to time to issue, amend, or rescind suitable regulations to carry out the provisions of this act. If at any time after the issuance of any such regulation or any amendment or rescission thereof, there is passed a concurrent resolution of the two Houses of the Congress stating in substance that the Congress disapproves such regulation, amendment, or rescission, such disapproved regulation, amendment, or rescission shall not be effective after the date of the passage of such concurrent resolution nor shall any regulation or amendment having the same effect as that concerning which the concurrent resolution was passed be issued thereafter by the Commission.

"(b) Regulations issued under this section shall be in conformity with the standards and limitations of the Administrative Procedure Act.

**"FORCIBLY RESISTING THE COMMISSION OR ITS REPRESENTATIVES"**

"SEC. 20. Whoever shall forcibly resist, oppose, impede, intimidate, or interfere with a member, agent, or employee of the Commission while engaged in the performance of duties under this act, or because of such performance, shall be punished by a fine of not more than \$500 or by imprisonment for not more than 1 year, or by both.

**"SEPARABILITY CLAUSE"**

"SEC. 21. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby."

Mr. LANGER. Mr. President—

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAYBANK. I should like to inquire how long the Senator will speak this afternoon. I make the request because I have a short speech to follow his, and I have an engagement at 4:30 this afternoon.

Mr. LANGER. I had intended to speak until 5 o'clock, but I shall be glad to yield to the Senator if I may have unanimous consent that his speech may appear at the end of my remarks.

The PRESIDING OFFICER. The Senator can yield only for a question.

Mr. MAYBANK. The Chair has ruled that the Senator can yield only for a question.

Mr. LANGER. Mr. President, I wish to continue with the letter which I received from the dairy commissioner of North Dakota. Because of the fact that I have introduced these bills, I shall reread the first paragraph:

STATE OF NORTH DAKOTA,  
Bismarck, N. Dak., January 6, 1950.  
Hon. WILLIAM LANGER,  
The Senate Office Building,  
Washington, D. C.

DEAR SENATOR: I am again asking for your help in behalf of the dairy farmers of North Dakota. The oleomargarine bill is before the Senate for debate, but I would first like to express the appreciation of the dairy farmers of North Dakota for the assistance you have given us during previous sessions of Congress on this controversial issue.

If the oleomargarine bill is passed as is recommended by the Senate committee with all restrictions removed as to licenses and taxes on the colored product without any safeguards set up to protect the consumers against the fraudulent sale of oleomargarine, colored and sold as butter, and to protect our entire national dairy industry; it will certainly mean a necessary curtailment in dairy farming.

North Dakota, as one of the major butter-producing States, is vitally interested in this issue; and when, in trying to promote the expansion of dairying in our State, we are met with the question by our dairy farmers as to what will happen to our butter industry if we are forced to meet competition with the unrestricted sale of oleomargarine colored to resemble butter.

As you probably know, all of the major dairy organizations in the Nation are in favor of a repeal of all licenses and taxes on margarines providing that safeguards are put into the bill making it illegal to color the product to resemble butter.

Mr. President, I call the next paragraph particularly to the attention of the Senator from Arkansas. I am sorry he is not on the floor at the moment. I call his attention to this paragraph in the letter from the dairy commissioner of my State:

One of the largest manufacturers of oleomargarine, Lever Bros., as a plaintiff in a court case against one of their competitors, won a decision, which in effect stated that no other soap company could make a bar of soap colored red to resemble their Lifebuoy soap.

In a recent court case brought by the Food and Drug Administration, against a soft-drink manufacturer, the court ruled that synthetic orange color and flavor could not be added to a soft drink, as such addition would, in effect, make the soft drink appear to be a more valuable product than it really was.

I remember very well that only a few years ago the Coca-Cola Co. brought an

action against the company making Pepsi Cola, to prevent even what might be called a similarity in name, and got a decision saying that only the Coca-Cola Co. could use the word "coke," because of the fact that it had been used for a considerable period of time by them in advertising.

So here we find the Lever Bros. bringing an action against a competitor to keep them from coloring their soap red, because they have Lifebuoy soap, which they own, and which they distribute, and which is red in color. They get a decision from the court in order to keep a competitor from coloring his soap red.

I repeat, that was Lever Bros., an organization which apparently figures it is far above the law now, because in spite of the fact that an action was brought by the Attorney General under the Democratic administration, we find the Democratic National Committee, which is in charge of the Jefferson-Jackson Day dinners, picking the president of Lever Bros., the greatest monopoly in the world, as general manager for the Jefferson-Jackson Day dinners all over the United States of America. Of course, it may be that they are also going to have Jackson Day dinners in the 68 countries I named a little while ago, where the Lever Bros. and their subsidiaries are operating.

The letter from the dairy commissioner of North Dakota continues:

Through the years that we have had this controversial issue before Congress, we believe that it has been pretty well established that the only reason the oleomargarine people have for using the yellow coloring of butter, is to make it as nearly like butter as possible in order to fool the public.

In order to fool the public. That is what this bill is here for, in order to fool the public by permitting oleo to be colored yellow.

The letter continues:

Some oleo manufacturers are at the present time using dairy terms on their cartons, such as grade A or grade AA, which terms are used by the Federal Government in establishing grades on butter.

Speaking for the dairy farmer living in North Dakota, I would like to state that we would appreciate very much, anything you can do to prevent the wrecking of our North Dakota butter industry.

Thanking you again for your past efforts and assuring you that all of our farmers will appreciate anything you can do for them, I am,

Sincerely yours,

WILLIAM J. MURPHY,  
Dairy Commissioner.

So again, Mr. President, I come back to the fact that Lever Bros., headed by its president, Charles Luckman, are really in charge of the Jefferson-Jackson Day dinners of the Democratic Party which are to take place in a very few days. Here is this man lending all his influence and giving all his time and all his ingenuity and devoting, I suppose, all the resources of Lever Bros. in the way of advertising—they spent \$50,000,000 in advertising, according to Fortune magazine, as I read it—to this new activity. He is the head of this gigantic corporation, this octopus, this greatest monopoly of all, this monopoly which

has directorates not only in the United States, but in Belgium, in the Netherlands, in the Scandinavian countries, in Finland, in the Netherlands East Indies, in Italy, in Switzerland, in Austria, in Germany, in Czechoslovakia, in Poland, in Hungary, in Yugoslavia, in Rumania, in France, in Denmark, in Norway, in the Belgian Congo, in Siam, in China, in the Philippine Republic, in the Argentine, and in Brazil. In the United States, of course, Charles Luckman, the president, is the man chosen by the Democrats to make an outstanding success of these Jackson Day dinners, where I suppose, they are going to charge \$100 a ticket. By that I mean that each ticket will cost \$100. It will not cover a couple. There were 2,500 persons present at a dinner a few days ago in New York City, and I looked at it on the television. There were more millionaires at that New York dinner, Mr. President—and it was addressed by the Vice President of these great United States—there were more millionaires gathered there than I ever saw before at any dinner anywhere in the entire United States.

Yet, Mr. President, the Democrats tell us they represent the poor people, they represent the underprivileged people—so they say.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. I want to congratulate the Senator for admitting that he watched the Democratic dinner on the television. I thought that he would disdain any such performance, would not even look at it, but now that he has confessed to watching that dinner from beginning to end, I want to compliment him. I think it is a compliment to the Democratic Party that my great and good liberal friend from North Dakota would do that.

Mr. LANGER. I wish to thank my distinguished friend for bringing this to my attention, and I assure him that I was getting an education. I do not belong to the regular Republican Party. I am a party within myself, known as the Farmer-Labor-Republican Party. The Farmer-Labor-Republican Party operates chiefly in the State of North Dakota, and I have been wondering how we could finance the Farmer-Labor-Republican Party in North Dakota.

As I watched and saw what was taking place in New York, I went home to North Dakota and there I arranged for similar Lincoln Day dinners. On the 9th day of February we are to have one in New Rockford, N. Dak., and charge \$100 for a couple. We could not quite get \$100 apiece, so we made it \$100 a couple. From there we are going to Bismarck, N. Dak., and have another dinner. From Bismarck we are going to Dickinson, N. Dak. They are all advertised. From Dickinson we are going to Williston, N. Dak., and from Williston we are going to Minot, N. Dak., and from Minot we are going to Grand Forks, N. Dak. From Grand Forks, N. Dak., we go to Fargo, N. Dak., and finish on the evening of the 17th day of February. I sincerely hope that the distinguished majority leader, if he cares to attend a great, liberal gathering like that, will at least

buy a ticket so that he may show his good will toward the Farmer-Labor-Republican Party of the State of North Dakota.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. I wish to congratulate the Senator again upon what he says he is going to do with respect to Lincoln Day dinners in North Dakota. In other words, the great liberal from North Dakota, having taken a lesson from what happened in New York City, is doing just the opposite of what the Republicans said not long ago they would do in Washington, have the participants take box lunches to their banquet. The Senator is going to charge \$50 apiece.

Mr. LANGER. No, \$100 a ticket.

Mr. LUCAS. A hundred dollars a ticket.

Mr. LANGER. Yes. We do not sell any halves.

Mr. LUCAS. I misunderstood the Senator.

Mr. LANGER. A hundred dollars for two.

Mr. LUCAS. Yes, a hundred dollars for two.

Mr. LANGER. And a man may bring his wife or his sweetheart.

Mr. LUCAS. It costs a hundred dollars to get into any one of these banquets, does it?

Mr. LANGER. Yes. We learned that from the Democrats.

Mr. LUCAS. I am sure you have.

Mr. LANGER. Yes.

Mr. LUCAS. I think the Senator from North Dakota has learned a good deal from the Democrats since he has been in the Senate, and I congratulate him on the number of votes he has cast with the Democratic Party since he has been in the Senate. He is learning fast, and it will not be long before he will be with the Democratic Party, the way he is going now, because if he follows the trail of those banquets he is surely going to be with them, and the chances are that Mr. Luckman will probably give the Senator a contribution for the Senator's next campaign before he gets through.

Mr. LANGER. I want to say to my distinguished friend that that may happen. I may be invited to join the other party. I gather, from what I have read in the newspapers, that some Republicans propose to drop certain of us who are progressives. The junior Senator from Ohio [Mr. BRICKER] in an interview stated that some members of his party wanted a new party to be formed, to be made up by an amalgamation of certain Republicans and of certain Democrats, but he said he did not want in the new party Republicans who do not vote with the Republicans all the time upon the floor of the Senate. I rather gained the impression that he referred to three or four Republican Senators who have not been consistently voting the Republican—I would not say orders—but who have not voted with the Republican majority on this side of the Chamber.

So far as I am concerned, I want to make it plain that the people of North Dakota do not care whether I am here as Democrat or Republican. It does not make one bit of difference to them. I

may say that after I received the Republican nomination for United States Senator the first time, the Republican National Committee donated money to my opponent in the primary.

Mr. President, I owe the Republican Party in North Dakota absolutely nothing. Not only that, but the Republican nominee for President refused to travel on the same train with me. He had my opponent in the primary on the train with him and introduced him to the people of North Dakota.

Eight years ago Mr. Dewey was candidate for President, after I had become the Republican nominee for Senator. In the Republican primary 8 years ago the Republican Governor of North Dakota called all the Republican bankers and "hifalutin" fellows together and they nominated a man against me on the independent ticket, and ran him as an independent Republican. They very proudly announced that so far as they were concerned they would as lief have a Democrat come to Washington as the present Senator from North Dakota.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. In a moment. I want to say that despite all they could do, I carried every single one of the 53 counties of North Dakota. So the people of North Dakota do not care very much about the label of any man.

I now yield to the Senator from Illinois.

Mr. LUCAS. I sympathize with the Senator, and I can well understand his feelings against the regular Republicans as the result of what they tried to do to him in North Dakota. I do not blame him for taking the position he does, and making the kind of speeches he does on the floor of the Senate.

Mr. LANGER. I thank the Senator from Illinois, and I am sure he would feel pretty much as I do if he were in my place.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WILEY. Now that my good friend the majority leader has had occasion to sort of get the distinguished Senator from North Dakota away from this Luckman tale, I ask him, is there any Republican angle to the Luckman tale, or is it 100 percent Democratic?

Mr. LANGER. So far as I am concerned it is 100 percent Democratic.

Mr. WILEY. We have all heard what the distinguished majority leader has just said. I thought it was a confession, and not avoidance when he said he hoped the distinguished Senator from North Dakota might also receive a contribution from Mr. Luckman.

Mr. LANGER. I do not know Mr. Luckman. I do not know whether he contributes to Republicans or Democrats or to whom he contributes. I said I did not know anything about that.

Mr. WILEY. Has the Senator any thought as to what will be done by Mr. Luckman now that he is the chairman of the Jackson-Jefferson Day dinners, and now that the Democrats are leading the fight to get rid of the oleo tax and want to open up the whole spread field even in those States where it is not permissible by State law for the oleo interests

to take over that field? Has the distinguished Senator any idea as to why Mr. Luckman is in the picture in this way?

Mr. LANGER. As I said in the beginning, Mr. Luckman's company is operating in many different countries. I do not know whether it is proposed to hold Jackson-Jefferson Day dinners in Belgium, the Netherlands, Scandinavia, Finland, the East Indies, India, Switzerland, and other countries. Mr. Luckman, as I said, has a wonderful organization, the finest in the world. I do not know anything about Mr. Luckman. I do not know the man. I do not want any of his contributions. I do not need them. I get along very nicely in North Dakota without them. Whether or not he contributes to the Democratic Party I do not know. I know he was appointed by the President to become the head of a department for a certain time, and he antagonized every farmer in my State when he said they could not eat chickens on certain days of the week. Mr. Luckman is the man who established chicken-less days.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LUCAS. I, too, was against the order which was issued with regard to not eating chicken on certain days, I will say to my friend.

Mr. LANGER. I am delighted to know that the Senator was opposed to that order.

Mr. LUCAS. I do not want the RECORD to remain in the shape the Senator from Wisconsin has now made it. What I said a moment ago was that, in view of the fact that the Senator from North Dakota is a great liberal and in view of the fact that Mr. Luckman is a great liberal, Mr. Luckman might at some time make a contribution to the Senator's campaign. When someone wishes to make an honest contribution to the campaign of a person running for office—including the Senator from Wisconsin and other Senators—I have not known any candidate who would not accept such a contribution. Mr. Luckman is making a contribution to the Democratic Party by being chairman of the Jefferson-Jackson Day dinners. He is making a tremendous contribution by permitting the use of his name and giving of his talents, and so forth, to make the dinners a success. I consider that to be a real contribution.

Mr. LANGER. I may say to the distinguished Senator from Illinois that I question the propriety of choosing as general manager of the Jackson-Jefferson Day dinners a man whose company is being sued at the present time in the Federal courts by the Attorney General on the ground that it is a monopoly.

Mr. LUCAS. I appreciate the Senator's reaction in that respect and the position he takes, and I shall not argue the question with him at this time. The Senator is entitled to his own views, and he usually has them, and expresses them on the floor very forcefully.

Mr. LANGER. Mr. President, in my opinion, there has never been a more far-reaching bill before the Senate, so far as our domestic economy is concerned,

than the oleo bill authored by my distinguished colleague from Arkansas. In fact, Mr. President, I think the bill represents one of the most diabolical schemes that has even been proposed to ruin an industry which is the largest segment of our American farm economy.

During the past few years we have witnessed the near destruction of the sheep industry. We have less sheep in the United States than we had 50 years ago. Imports of wool have been invited by the lowering of duties until we import two-thirds of the wool used in our country. While under the ECA, \$600,000,000 worth of cotton has been given away, we have imported 600,000,000 pounds of wool. This does not make economic sense in any language. We subsidize exports of cotton or give it away at a time the sheep industry is being ruined. In fact, we have reduced the sheep numbers by a third the past 5 years. The sheep numbers in North Dakota were reduced by 50 percent between 1940 and 1949.

What has this administration done to the fur-farming industry? It has all but ruined this system of farming. This was done by sending a delegation to Russia asking the Russians to dump their furs on our markets. In fact, over \$232,000,000 worth of furs were imported in 1 year and this was followed up by a 20-percent retail tax.

Now it appears that the next livestock industry to be ruined by this same administration is the dairy industry. Why do I make that statement? Just check up a little and see what is happening and has happened. Do Senators know we have two and one-half million less dairy cows than we had 15 years ago in the United States? Do Senators know that we have 3,000,000 less dairy cows and dairy heifers than we had 5 years ago? Before the war we had more dairy cows than beef cattle, but oleo has already replaced 3,000,000 dairy cows. Before the war 200,000,000 to 300,000,000 pounds of oleo were made in the United States. During the war the OPA froze butter at 46 cents per pound (or 30 cents per hour for labor) at a price below the cost of production. The OPA discouraged butter production. While in 1941 and 1942 we had an annual production of over 1,800,000,000 pounds of butter this annual production was reduced to 1,100,000,000 pounds by 1946. Since 1946 the annual butter production has been increasing in spite of the aid and comfort given the 25 oleo manufacturers.

While oleo annual production was 200,000,000 to 300,000,000 pounds prewar, its production was stimulated during and given special consideration and reached an annual production of over 800,000,000 pounds in 1948.

Mr. Charles Luckman, head of the Lever Brothers, the world's largest vegetable oil cartel was brought to Washington to save feed. Senators remember him. The Agricultural Department evidently could not handle the situation so they got the soap and oleo man Luckman to take over. Senators remember he had a program to prevent farmers from feeding their livestock. He must have kept the feed from the dairy cattle because butter production went down, but the

joke in the situation is that oleo production went up. The Lever Bros. Co. bought the Jelke Oleo Co. incidentally, though, I suppose oleo and soap are made in much the same manner. There evidently is not much of a change from the soap business to the oleo business.

Is it not a fact that this English vegetable oil cartel is building the largest oleo plant in America in California? Will it not be a joke on our cotton oil friends if the vegetable oil cartel uses coconut oil in its oleo plants instead of cotton seed oil? If this English vegetable oil cartel monopoly can get the Fulbright bill passed what is to stop them from dropping cotton seed oil like other oleo manufacturers have dropped soybean oil from their formula, and use coconut oil, which is recognized as more nearly like butterfat than either soybean or cottonseed oil?

While we are speaking of this English cartel, I wish to say, Mr. President, that I have in my hand a clipping from a newspaper headed "Briton sees need for more United States aid." The article is dated New York, November 1—United Press—and reads as follows:

A British financial expert said today Britain may need additional loans from the United States to replace special temporary aids now bolstering his country's economy. Sir Sydney Caine, Minister for Financial Affairs and head of the United Kingdom Treasury, hinted that a request for an increase of overseas lending will be made when funds from the Economic Cooperation Administration end in 1952.

Yet this is the same country that, as I stated a few minutes ago, has a monopoly in cocoa and is penalizing every child who buys a Hershey bar.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Russell in the chair). Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. LANGER. I yield.

Mr. WHERRY. In view of the observation made about the necessity for increased loans to Great Britain under the ECA program, I should like to ask the distinguished Senator whether, first, he would consider that what we have done for Britain is a loan. Is it not a fact that what we have contributed to Britain through ECA is a grant?

Mr. LANGER. It is a gift.

Mr. WHERRY. Second, what machinery, if any, has been set up by Britain and the United States to carry the ECA countries away from grants, which have been extended to the tune of more than \$15,000,000,000, back to a private-enterprise system, whereby they can stand on their own feet if and when ECA aid has been completed and concluded within the next year or, let us say, 2 years, at the most?

My point is this: We have been told that not only would the 4-year program increase the productivity and stabilize the countries which are receiving the ECA grants and aid, but that if the United States would continue that program for 4 years, those countries would be able to take care of themselves. When that time arrives, will there be continued requests for more aid, or will

those countries then be in such a situation that they will be able to proceed under their own steam, without any additional grants in any way, shape, or form; and will those 11 countries then be able to conduct their own business without any further aid from the United States?

Mr. LANGER. My answer simply is that I am not a member of the Foreign Relations Committee, and I have no particular knowledge of that matter, except as I obtain it from reading the newspapers. Some of the countries say they will be able to carry on. I understand that some of the countries which have been receiving aid from the United States are going to expect it to continue for at least 10 years.

I have just read some newspaper articles about statements given out by the Senator from Texas, saying that so far as he is concerned, as chairman of the committee, he proposes to cut down the amount of the aid, and not to give it unless there is some accounting and some indication that the people of the countries concerned are willing to work.

So far as I am concerned, I am willing to take the word of the distinguished chairman of the committee.

Mr. WHERRY. I should like to ask one other question. The Senator from Nebraska has always been in favor, as has the distinguished Senator from North Dakota, of providing food for people who need it, and I am sure the distinguished Senator from North Dakota feels that way about that matter. Does the Senator now feel, however, that, beyond the requests for food and the other necessities of life, possibly it would be desirable, as a restriction or condition on further loans or grants to Great Britain and other ECA countries, to require that they eliminate their economic and trade barriers and establish convertibility of currencies, so that they can do business among themselves, and sometime can begin to realize that they can do so without further relief from the United States? Would the Senator from North Dakota feel that would be the correct position to take?

Mr. LANGER. Certainly. Not only that, but I feel that dismantling in Germany should be stopped. This morning I received a letter from John B. Crane, of 886 National Press Building, Washington, D. C., relative to the dismantling of the Hochfrequenz-Tiegelstahl Works, a small but highly important steel plant at Bochum. At this moment Britain is dismantling that plant and is putting hundreds and hundreds of Germans out of work.

Mr. President, I ask unanimous consent that the letter and reports I have received from Mr. Crane be printed at this point in the RECORD.

There being no objection, the letter and accompanying reports were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., January 5, 1950.  
The Honorable WILLIAM LANGER,  
United States Senator,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR LANGER: Knowing of your keen interest and previous constructive efforts in stopping the dismantling of German

factories, I thought you would be interested in some of my recent observations on a short vacation trip to western Germany.

I found dismantling still going on, and one small but highly important steel plant at Bochum, known as the Hochfrequenz-Tiegelstahl works, is scheduled to be completely destroyed by January 31.

The facts in the enclosed reports tell the story in detail. It would appear that the British insistence on continuing the dismantling of this plant is based either on ignorance of the facts, or a deliberate desire to get rid of German competition. Most American experts believe the latter is the reason.

Prompt action could still save this plant. The facts presented here are for your information and to be used as you think appropriate. The State Department could probably secure a moratorium on further dismantling, if they so desired.

Sincerely yours,

JOHN B. CRANE.

#### DISMANTLING OF HOCHFREQUENZ-TIEGELSTAHL PLANT BASED ON ERRONEOUS DATA—SHOULD BE STOPPED IMMEDIATELY

A grave injustice will be done to the workers and management of the small steel plant at Bochum in the Ruhr, known as the Hochfrequenz-Tiegelstahl Werke, if further dismantling of the plant is continued. The plant is only 35 percent dismantled and can yet be saved if prompt action is taken.

None of the arguments advanced officially and unofficially by the British to justify their continued dismantling of the plant will stand up under close examination. Various American experts, including the Keenan mission, the Humphrey committee, and the staff of Commissioner John J. McCloy, have carefully studied the Hochfrequenz plant at Bochum and all have concluded the plant should not be dismantled. Then why do the British insist on further dismantling?

#### BRITISH ARGUMENTS TO DEFEND DISMANTLING BASED ON ERRONEOUS DATA

None of the four major arguments advanced by the British to justify destruction of the Hochfrequenz plant can be successfully defended if an investigation is held and an opportunity is permitted in open hearings to refute them. Here are the four arguments:

Argument 1: The Hochfrequenz plant, it is alleged, is already 80 percent dismantled, and it is too late to save it or remove it from the list of plants to be dismantled.

Answer: When this statement was made by the British early in December 1949 an American expert immediately visited the Ruhr and inspected the Hochfrequenz plant. He found it only 35 percent dismantled and the plant was still operating with over 600 workers. The only equipment dismantled had been war-damaged equipment, never used since the plant reopened after the war. At the present time, January 4, 1950, the plant is only about 50 percent dismantled. It can still be saved for effective production.

Argument 2: The plant is a war plant, and it is alleged that it was used during the war to produce turbine blades for jet airplanes. Security demands its destruction.

Answer: The plant is not a category I war plant since it was not built specifically for the manufacture of armament and war material. Before the war, during the war, and since the war it has produced castings and other parts essential to the German steel industry, the coal-mining industry, and the electric-power industry.

The German management categorically deny that they ever produced blades for jet aircraft, and assert this is absolutely false. They welcome a chance to disprove the British charges and will gladly open their books to any investigating committee.

Argument 3: If the Hochfrequenz plant is allowed to continue production it will bring total steel production in Germany above the 11,100,000 tons annually allowed by the Allies.

Answer: The annual steel-production capacity of the Hochfrequenz plant is only 6,000 tons. The parent plant at Krefeld has offered to reduce their steel-producing capacity by 20,000 tons annually, if the British will save the small plant at Bochum from further dismantling. If the British would accept this offer, the total steel capacity of the combined plants would be reduced by 14,000 tons, and the total steel capacity in Germany would be reduced.

The British have replied to the above German proposition for substitution that it is beyond their power to grant such a substitution and that the matter would have to be decided by the three high commissioners. The three high commissioners decided on December 19, 1949, that it was beyond their power and that it would have to be decided by the three foreign ministers in Washington, London, and Paris. An immediate moratorium on further dismantling is necessary to permit the foreign ministers to re-examine the situation of the Hochfrequenz-Tiegelstahl plant.

Argument 4: The Hochfrequenz-Tiegelstahl plant is on the east bank of the Rhine, and hence would be taken over by the Russians when world war III begins.

Answer: This argument scarcely deserves an answer. Many of the steel plants recently saved from dismantling are on the east bank of the Rhine. Present Allied policy calls for the economic reconstruction of all western Germany, not just the part west of the Rhine River.

Conclusion: Since the arguments in support of further dismantling of the Hochfrequenz plant are based on false data and inadequate evidence, an immediate stop to further dismantling of the plant should be granted, and a thorough investigation instituted.

#### WHY DISMANTLING OF THE HIGH-FREQUENCY STEEL PLANT AT BOCHUM, GERMANY, SHOULD BE STOPPED

The Hochfrequenz-Tiegelstahl works (a small steel plant in the Ruhr making high alloy, heat-resistant steels) at Bochum has been 35 percent dismantled as of December 21, 1949, and the completion of the dismantling is scheduled by the British for some time in January.

Any further dismantling of the plant will affect key furnaces and equipment, and will cause the shut-down of the plant with over 600 workers losing their jobs shortly after the new year begins.

#### EFFORTS PREVIOUSLY MADE TO STOP DISMANTLING OF THIS PLANT

The American Government made two investigations of the Hochfrequenz steel plant at Bochum in 1948. One of these was made by Mr. Keenan, and one by a group headed by Mr. Wolf who worked for the Humphrey committee (Paul Hoffman's committee). In both cases the American experts unanimously recommended that this steel plant be saved. Mr. Keenan declared that it was indispensable to the recovery and successful operation of the German coal mines. Mr. Wolf declared that the plant was essential to the efficient operation of Germany's steel industry and to the economic recovery of western Europe.

Several United States Senators have intervened with the State Department on behalf of this plant. Among those who have tried to save this plant are Senator GEORGE, chairman of the Senate Finance Committee, and Senator McCARRAN, chairman of the ECA "watchdog committee." Moreover, Senators BRIDGES and WHERRY have been active in trying to save this and other steel plants.

PAST AND PRESENT DISMANTLING STATUS OF  
HOCHFREQUENZ-TIEGELSTAHL PLANT

During the war the Hochfrequenz steel plant was badly damaged by bombings. The British decided the plant was not a war plant and gave the plant a work permit to resume operations, and removed the plant from the reparations list in February 1947.

With the plant removed from the reparations list early in 1947 the management and workers got busy and rebuilt the plant with an expenditure of over 4,000,000 marks. Over 2 years later, on May 5, 1949, the British notified the plant that it would be dismantled beginning July 1, 1949.

As a result of the intervention of Senators GEORGE, McCARRAN, and others, the British withdrew the dismantling order temporarily, but gave out a new order a month later. They ordered the dismantling to begin August 3, 1949. Dismantling has been in progress since that date and still continues.

In justifying their new order to dismantle the Hochfrequenz steel works the British Government told the State Department that duplicate capacity existed in other German steel plants and that the output of the small Bochum plant could easily be taken over by other steel plants. They said the workers could readily be absorbed in other industries when the plant was dismantled.

I have just returned from Germany where I took occasion to visit the Hochfrequenz plant and to talk with the management. They declare that the bulk of their production cannot be produced in any other steel plant in Germany as it requires special furnaces and highly specialized equipment not available elsewhere. The dismantlement of their plant will make them dependent on imports from the British and French alloy steel industries.

Moreover, I checked with the mayor's office in Bochum and found that the town already has over 2,500 unemployed metal workers as a result of the recent dismantling of the huge Bochumer Verein steel plant which is also located in the town of Bochum.

Hence, if the Hochfrequenz-Tiegelstahl Werke is dismantled, it will dump an additional 650 workers and their families on the local relief rolls. Since unemployment has been growing in western Germany in recent months, is it desirable deliberately to increase this unemployment by the dismantling of a nonwar steel plant?

The British admit that the Hochfrequenz steel plant is not a primary war plant, and that almost all of its production has always been for major peacetime industries such as the railway industry, the coal-mining industry, the electric utility industry, etc.

ADENAUER INTERVENES TO SAVE HOCHFREQUENZ

Dr. Adenauer, the Reichs Chancellor of the new Federal Republic of Western Germany, has just intervened to try to save the Hochfrequenz plant at Bochum. At the last meeting of the three Allied High Commissioners for Germany, held on December 16, 1949, at Petersberg near Bonn, Dr. Adenauer pleaded for the saving of the Hochfrequenz plant. The commissioners replied that since the plant was not included in the list of plants agreed upon at Paris in November, it was not within their jurisdiction to consider his request.

It should be noted that the decision to dismantle the Hochfrequenz plant was made without any reasons ever being given in defense of such action, and without the Germans ever being told why the plant was to be dismantled, or ever being permitted to refute erroneous statements which have been made about the plant.

It is the consensus of opinion of American experts who have carefully studied the Bochum situation that the major motive behind the British insistence on dismantling the Hochfrequenz plant is the desire to eliminate German competition.

Of great significance in this regard is the fact that the American High Commissioner for Germany, John J. McCloy, told me in a conference in his office at Frankfurt, Germany, on December 19, 1949, that he personally would like to see the Hochfrequenz plant saved.

AN IMMEDIATE MORATORIUM ON DISMANTLING  
IS NECESSARY

If the Hochfrequenz steel plant at Bochum is to be saved, an immediate moratorium on further dismantling is necessary. Such a moratorium should be for 60 or 90 days, or whatever period is required for the appointment of a special committee to investigate and report on the situation at Bochum. No harm could result from such a moratorium and investigation, while such an inquiry might well prevent a grave injustice being done.

JOHN B. CRANE.

WASHINGTON, D. C., December 28, 1949.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. I did not know the distinguished Senator was even going to mention the subject of dismantling. I have not had a chance to see the letter to which he has referred.

I have already consulted with the distinguished chairman of the Foreign Relations Committee, for whom I have the deepest regard, relative to plant disposal in Germany.

Does the distinguished Senator from North Dakota have any information, other than what is contained in the letter, relative to any orders issued by any Government agencies about the sale of war plants in Germany at this time?

Mr. LANGER. Not about the sale of such plants; but I have information that the military attachés have stopped this matter in the American zone.

Mr. WHERRY. Would the Senator feel there should be an investigation or any further consideration on the part of the Senate, or any committee thereof, to find out what is the status of the dismantling program, other than what has been told us by the Secretary of State?

Mr. LANGER. I think the Senate should make its own investigation, through the appropriate and proper committee, to find out whether dismantling in the American zone by the American military authorities has stopped.

(At this point Mr. LANGER yielded to Mr. McCARRAN, who discussed the displaced-persons program. On request of Mr. LANGER, and by unanimous consent, Mr. McCARRAN's remarks appear in the RECORD at the conclusion of Mr. LANGER's speech.)

Mr. LANGER. Mr. President, the first session of the Eighty-first Congress put oleo into the armed forces diet. Millions of pounds of oleo have been bought by armed forces. I understand the enlisted men get the oleo and the officers the butter. I notice that the House and Senate restaurants do not serve oleo.

Many of my colleagues do not realize what is behind the whole controversy. They seem to think it is just an argument between oleo and butter. That is not the case, by any means. All the dairymen ask is that oleo be sold as oleo and that it not be disguised as butter. We have had other synthetic substitute dairy products, such as filled milk where

skimmed milk and vegetable oil are evaporated and sold for 2 cents a can less than evaporated natural milk.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. I have not been able to hear the entire address of the distinguished Senator from North Dakota, but as I entered the Senate Chamber he was speaking about a monopoly in colored soap; was he not?

Mr. LANGER. Yes—Lifebuoy soap.

Mr. WHERRY. Does the Senator mean there is a suit now pending, by which it is sought to prevent the sale of any other colored soap?

Mr. LANGER. Mr. Luckman, for Lever Bros., brought a suit against some of their competitors who were coloring the soap red, and he won it.

Mr. WHERRY. On that basis, it is the Senator's contention, is it not, that it is a subterfuge to color oleomargarine to imitate butter?

Mr. LANGER. Certainly.

Mr. WHERRY. Therefore, it is the holding of the Supreme Court with respect to the monopoly on soap, held by the firm in question, that leads the Senator to believe the makers of oleo have no right to color it and sell it as a substitute for butter. Is that correct?

Mr. LANGER. My friend from Nebraska is entirely correct.

Mr. President, millions upon millions of American babies are fed a formula based on the use of natural evaporated milk. Do Senators wish to have babies fed filled milk? If oleo equals butter, then filled or synthetic milk is equal to the natural product. I repeat, synthetic filled evaporated milk is the same as oleo in principle. The amounts of vegetable oils and skim milk are different. Oleo has 80 percent slowly undigestible cottonseed or other vegetable oil, and 15 percent skim milk and salt and a preservative. Filled evaporated milk has 7 percent cottonseed oil and 93 percent skim milk. I yield at this time to any Senator who will say that he has been feeding filled milk to any of his children, or that he knows of any doctor who has ever advocated the use of filled evaporated milk instead of the natural evaporated milk. I have no fear of anyone being able to answer the question.

Then we have oleo ice cream, which is an article of commerce in some States. All these substitutes depend on the dairy cow for the base of their product, which is skim milk. Oleo ice cream has already been served here in the Capitol in an effort to demonstrate its qualities. Where does this leave the dairy farmer? Must he develop a skim-milk cow to stay in the dairy business?

Then we have oleo bottled milk entering into the picture. Ask some of the committees that have been in Mexico City and Tokyo how they like oleo bottled milk. My colleagues should go slow before they take this step to ruin a \$10,000,000 industry. Do they wish to add a few hundreds of thousands to the unemployment rolls? Do they know that 10,000,000 people have jobs in connection with the dairy industry?

When President Truman addressed Congress the other day and talked about the general welfare, I do not think he meant the general welfare of any international English vegetable-oil cartel and monopoly—or did he? I do not think he meant—at least I hope he did not mean—the general welfare of the 25 oleo corporations, who have been reaping such enormous profits from their synthetic product. I should like to think the President meant that he was interested in the general welfare of the 2,500,000 dairy farmers of our Nation. I should like to think President Truman and his party would be interested in the health of the American people, which is being jeopardized by the promotion of the use of cottonseed oil. He speaks often of a health program, and I should like to think his interest in such a program would be based on a greater use of the greatest single food ever known to man—milk—and its products.

My party nearly stubbed its toe on the oleo bill 2 years ago. We were able to give it a sleeping pill in the Senate. We did not let the millions of easy money change our course. I note that Luce's magazines received \$12,000,000 for whiskey and liquor advertisements last year and that they also had some very extensive oleo advertisements and pro-oleo editorials. I hope the Democrats will not fall for this one, either. They are constantly telling us about cartels and how the Republicans are in with big business. How they will vote on this oleo bill will determine how sincere they really are in trying to hold monopolies in control. In fact, I am really sorry for our distinguished majority leader, who hails from a great agriculture and dairy State. Does he want Illinois dairy prices to be like the Illinois egg prices are at this time? In my State eggs sold in December for as little as 13 or 19 cents a dozen. Every day in my mail I find letters from farmers protesting the price of eggs. Is that what the farmers can continue to expect from this administration? Do we want to follow up what we have done to the sheep business, the fur business, and the poultry business, by taking this step to ruin the dairy business?

I noted in the press that on January 3 our lovable Vice President told a group in Kentucky that "the farm situation is discouraging." I ask today, do we want to discourage another and the largest segment of the farming business by passing this most destructive legislation? We can pass it, perhaps, but we will regret the day. The day it will be found out for sure will be election day, next November, in my judgment. Mark well what I am telling the Senate today, because Senators have the votes and the responsibility. Every Senator who votes for these few big corporations will regret his vote. Democrats may say they are for the people, but for what people? If this bill is passed, I am sure it will be appropriate to get Mr. Luckman, who has already been designated as general manager of the Jackson Day dinners, to serve oleo on that occasion. Nothing could be more appropriate and more proper than to have oleo served instead of butter on this great Democratic holiday, at a

time when the Democrats will be celebrating.

Mr. President, I agree with what the distinguished Vice President said about the farm situation being discouraging. During the first 9 months of last year, the farmers of North Dakota received \$191,930,000 less than they received for a similar period the year before. That is a reduction of approximately 30 percent. If the farmers had not had that reduction, they would be buying more goods of all kinds, including radios and what not.

I have some figures to show the difference between the prices the farmers received a year ago and what they are now receiving, and what they paid a year ago and what they are now paying for some of the things which they buy.

On April 26, 1948, at Rock Lake, N. Dak., as reported by the administration, oats were selling for 98 cents a bushel. A year later, on April 26, 1949, the price had dropped to 51 cents a bushel.

On April 26, 1948, barley sold for \$2.06 a bushel, and in 1949 it sold for 92 cents a bushel.

Flax was reduced in price from \$5.66 a bushel to \$3.60 a bushel.

Durum, \$2.61 a bushel, to \$1.94 a bushel.

Wheat from \$2.10 a bushel, to \$1.91 a bushel.

The protein premium on wheat was reduced from 25 cents a bushel to 4 cents a bushel.

Under this administration, what has happened to what the farmers buy?

On April 26, 1948, a farmer at Rock Lake, N. Dak., could buy a model A tractor for \$1,970. Last April the price was \$2,400.

A farmer could buy a model D John Deere tractor for \$2,370, and last April it cost \$2,750. Think of that increase in price, when the prices of most articles are going down.

In April 1948 a self-propelled combine could be bought for \$4,740, and in April 1949 it cost \$5,045.

In April 1948 a farmer could buy a press drill for \$680. Last April it cost \$800.

Mr. President, the dairy industry is one of the largest industries in the State of North Dakota, and if this bill should become law that industry will be ruined in that State. That is why I read the letter from the dairy commissioner of North Dakota, Mr. William J. Murphy. That is why the secretary of agriculture of North Dakota came to Washington to protest at the time when the oleomargarine bill was previously being considered. To the people of my State, not only the farmers but also the businessmen, it is a very serious matter when there is the tremendous reduction in farm income which I have already described.

North Dakota is known as the most progressive State in the Union, according to John Gunther. The State bank in North Dakota is owned by the people. It makes a profit of a half-million dollars a year. We have our own mills and elevators, and we manufacture many of our own foods at a profit of \$865,000. Last year it was nearly half a million dollars.

We have our own insurance system, our own storm and hail insurance. We saved our farmers \$100,000,000 in hail insurance. We insure every public building, every one of our schoolhouses, and our county courthouses, and it cost us, for a little while, a third of what the old-line insurance companies charged. The State writes its own fidelity bonds. Everyone handling public money in North Dakota is bonded. We have nearly \$2,000,000 in that fund.

We may do as South Dakota has done—go into the cement business. South Dakota has its own cement plant, which has been a great success. We propose at an election, within a short time, to submit to the people the question of whether North Dakota shall build its own cement plant. Some years ago there was a cement plant owned by private industry, but the Cement Trust put that plant out of business because the trust could furnish the cement more cheaply than it could be produced in North Dakota. So within a short time the question will arise in North Dakota as to whether the State shall establish its own cement plant.

One industry after another has been ruined by this administration. If the pending oleomargarine bill shall become a law, according to the dairy commissioner of North Dakota, the commissioner of agriculture of North Dakota, and according to scores of letters and telegrams which the various creamery cooperative companies have poured in to Washington, the administration will also ruin the dairy industry.

I appeal to Senators not to act hastily, but to make a thorough investigation before they ruin not only the farmers of North Dakota, but the farmers of all the other States I have mentioned this afternoon.

In closing, Mr. President, I again desire to call attention to the speech made by the President of the United States in Philadelphia, when he was a candidate, when he said, "Any farmer who does not vote the Democratic ticket is guilty of ingratitude," and when he said, "Any laboring man who does not vote the Democratic ticket is guilty of ingratitude."

I read on the floor of the Senate the names of the States which took the President at his word, which voted Democratic, which gave him their electoral votes. When we add them together, we find that if those votes had not gone to President Truman, he would have been 70 electoral votes short.

I say, Mr. President, this is no way to double-cross the farmers of those States which took the President at his word, and voted for him believing he was a friend and that the Democratic Party was a friend of the dairy farmers of this great country.

#### ADMINISTRATION OF DISPLACED-PERSONS PROGRAM IN EUROPE

During the delivery of Mr. LANGER'S speech,

Mr. McCARRAN. Mr. President, has the Senator from North Dakota arrived at a point in his discussion where he can permit me to make a statement for the Record?

Mr. LANGER. Yes; and I ask unanimous consent that whatever the distinguished Senator from Nevada wishes to say at this point may appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARRAN. I wish to have the clerk read a short statement which I send to the desk.

Mr. LANGER. I yield for that purpose, provided it is understood that, by unanimous consent, I shall not lose the floor by so doing.

The PRESIDING OFFICER. Without objection, it is so ordered; and the matter sent to the desk by the Senator from Nevada will be read.

The legislative clerk read as follows:

STATEMENT BY SENATOR PAT M'CARRAN, CHAIRMAN, SENATE COMMITTEE ON THE JUDICIARY

There is set forth below copy of exhibit No. 8 of the investigation regarding the administration of our displaced-persons program in Europe:

AMERICAN CONSULATE GENERAL,  
Munich, Germany, September 9, 1949.

Subject: Possibility of fraud in connection with visas obtained by displaced persons in Amberg, Germany.

The honorable the SECRETARY OF STATE,  
Washington.

SIR: I have the honor to report that it has come to the attention of the Amberg sub-office of the Consulate General that 10 visas were issued between December 29, 1948, and June 16, 1949, to displaced persons who are apparently ineligible under Public Law 774 for admission into the United States. It is understood that these persons are either now en route to or are already in the United States. These persons have all made statements under oath in their visa applications which subsequent documentary evidence had shown to be probably false, and in each case the eligibility of the person concerned was dependent upon the truth of the statements. The specific point in question is the date upon which these applicants arrived in Germany. In order to be eligible under Public Law 774, these applicants must have arrived in Germany before December 22, 1945. The recently discovered documentation indicates that these applicants all arrived subsequent to this date.

The matter was called to the attention of the Consulate General by the military government officer responsible for the town of Schwandorf, Bavaria, who is at present investigating charges of bribery of a member of the city government of Schwandorf by a prospective visa applicant. The accused is said to have paid 50 marks through the wife of the president of the Jewish committee of the town, in an effort to have the city records which show residence in Schwandorf adjusted so as to make him eligible under Public Law 774. This investigation has shown that a number of displaced persons who had already departed for the United States had previously caused their police records in Schwandorf to be changed, and further that upon their presentation for a visa, the statements which they made under oath did not correspond with records in Schwandorf. After examining the Schwandorf police records in these cases, the records of the International Refugee Organization in Amberg (IRO area IV headquarters) were also consulted. It was shown that these records agree with the Schwandorf records and do not support the statements made by the applicants in their application.

The 10 cases in question are as follows:

1. Boltuch, Lea, was issued Polish quota visa 3227/50 on December 29, 1948. Miss

Boltuch stated under oath that she had resided in Munich from November 1945 until 1946. The Schwandorf records in this case consisted of two documents, one a questionnaire which Miss Boltuch prepared in order to obtain a German identification card. On the identification card questionnaire, she stated that she arrived directly in Schwandorf from Poland in the summer of 1946. On her police registration card, a notice as to her residence in Munich has been added, obviously subsequent to her original registration. In the files of IRO in Amberg, two documents were consulted in this case, the questionnaire prepared by Miss Boltuch for the Army which states that she arrived in Germany in July 1946 from Poland, and the IRO Card and Maintenance Questionnaire (CM-1 form) which indicates that she resided in Munich during the time stated on her application.

2 and 3. The documents in connection with Miss Boltuch's sister and brother-in-law, Simon and Taube Haber (Polish quota visas 6028/50 and 6029/50, issued February 3, 1949) also follow the same pattern of discrepancy, i. e., the residence in Munich is added later on police registration card, the identification card questionnaire shows no residence in Munich, the Army questionnaire shows arrival in Germany in 1946, and the CM-1 form shows residence in Munich between October 1945 and August 1946. It is noted that in both the Boltuch and Haber cases the CM-1 form was prepared on May 26, 1948, at which time it was generally known that in order to qualify under the President's directive of December 22, 1945, concerning the immigration of displaced persons, the applicant must have been in Germany prior to the date of the directive.

4 and 5. Brafman, Daniel and Anna, were issued Polish quota visas 3593/50 and 3594/50 on February 2, 1949. Brafman stated in his application that he came to Germany in November 1945 and resided in the neighborhood of Schwandorf from that date on. On his Schwandorf identification card questionnaire, he states that he arrived in Schwandorf in July 1946. However, there is an entry in pencil (possibly in Brafman's own handwriting) between his statements as to residence in Piotrkow, Poland, in 1945, and Lodz, Poland, in 1946, stating that he lived in Schwandorf between November and December 1945. Brafman's CM-1 form shows residence in Lodz, Poland, uninterruptedly from June 1945 until June 1946, where he was employed as a tailor.

6, 7, and 8. Henryk, Mela, and Fedor Badrian were issued German quota visa 6945, Polish quota visa 5601/53 and German quota visa 6946, respectively, on April 21, 1949. Badrian based his eligibility on arrival in Schwandorf in September 1945 from Katowice, Poland. This statement is substantiated by the identification card questionnaire in Schwandorf. However, the IRO CM-1 form shows Badrian to have been residing uninterruptedly in Katowice from January 1945 until September 1946, and the IRO DP registration card (DP-2 card) shows the same information.

9 and 10. Israel and Irena Dreier were issued Polish quota visas 5415/56 and 5416/56 on June 16, 1949. Dreier claims to have been in Schwandorf between September and December 1945. There is no record in the Schwandorf police records of this trip to Schwandorf from Poland. Furthermore, there is attached to the police records a Polish certificate of residence showing Dreier to be living in Krakow from March 1945 until March 1946. The CM-1 Form does not show residence for Dreier in Schwandorf before September 1946.

The investigation of these cases and other similar cases in which visas have not yet been issued is being continued by the local Displaced Persons Commission team, the International Refugee Organization, and

military government, CIC, and this office, and if any other cases are discovered in which it is believed that visas have been issued to persons not eligible under Public Law 774, the Department will be informed immediately.

Information in the records in question indicates that the following persons may have made false statements in their visa applications believing that these statements were necessary in order to establish their eligibility under Public Law 774:

Albert, Solomon (Polish quota visa 5453/56 issued June 30, 1949).

Appelbaum, Juda and Pérla (Polish quota visas 5626/53 and 5627/53, issued April 22, 1949).

Taffel, Leib and Estéra (Polish quota visas 6202/52 and 6203/52, issued March 29, 1949).

The information in the documents, however, shows that these persons were already eligible from the point of view of entry into Germany prior to December 22, 1945. These persons had been in concentration camps in Germany during the war, then returned to Poland, and apparently falsified the dates of their reentry into Germany.

The Schwandorf documents disclosed above are in the archives of the burgermeister of Schwandorf, and the IRO CM-1 forms and DP-2 cards are in possession of the IRO Area IV Headquarters, Amberg, Germany.

Respectfully yours,

SAM E. WOODS,

American Consul General.

(Copy to Supervisory Consulate General, Frankfurt.)

Mr. McCARRAN. Mr. President, yesterday there was released from my office, as chairman of the Judiciary Committee and as chairman of the subcommittee having in charge the matter of displaced persons, a statement made to me by a person in authority in Germany, an employee of the Displaced Persons Commission, who I believe made the statement freely and voluntarily. It was published, and this morning there appears in the Washington Post a statement purporting to come from Mr. Carusi, Chairman of the Displaced Persons Commission, in which, about as strongly as he dared, he attempts to call the chairman of the Judiciary Committee a liar.

It is not often the chairman of the Judiciary Committee is called a liar by one holding a place such as that occupied by Mr. Carusi. I have had inserted in the RECORD the matter which has just been read by the clerk, and I am wondering whether Mr. Carusi will now proceed to call the consul general at Munich, Mr. Sam Woods, a liar, and whether he will take Mr. Sam Woods to task, as he says he has taken the employee of the Displaced Persons Commission to task for having made statements to me. The statement just read by the clerk is a statement on file with the State Department, made by an official of the State Department, unhesitatingly, and it shows, as did the statements of the witnesses who testified before me in Stuttgart and Munich, that there is continual fraud in the matter of securing visas for displaced persons.

It was stated to me in Europe, not once, but repeatedly, that for a package of cigarettes one could get a birth certificate; for a package of cigarettes one could get affidavits showing his residence to be at a certain place at a certain time, when he was not there at all. All those

statements are at the present time in the possession of the Judiciary Committee, and of a subcommittee thereof and no doubt will be disclosed. But, now that Mr. Carusi has seen fit to call the chairman of the Judiciary Committee a liar for having released the statement of a witness, I am wondering whether he is going to call Sam Woods a liar. If he does, I merely want to tell Mr. Carusi that I shall have more material for him, and by the time he gets through with his Ananias club, it is going to be a real organization.

#### REPEAL OF OLEOMARGARINE TAXES

The Senate resumed the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the junior Senator from Wisconsin [Mr. McCARTHY] in line 10, page 4, of the original bill.

#### RECESS

Mr. LUCAS. Mr. President, I understand there are to be a number of other speakers, both for and against the pending measure, and in view of the fact that the hour is now 5 o'clock, I presume we should probably take a recess until tomorrow. I should like to ask Senators who are interested in the bill whether they feel that we might be able to get a unanimous-consent agreement for a vote sometime soon on the bill and all amendments.

Mr. LANGER. I do not think we can get a unanimous-consent agreement tonight, but perhaps we may tomorrow.

Mr. LUCAS. I thank the Senator. Under those circumstances, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Thursday, January 12, 1950, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate January 11 (legislative day of January 4), 1950:

##### UNITED STATES ATTORNEYS

Adrian W. Maher, of Connecticut, to be United States attorney for the district of Connecticut. He is now serving in this office under an appointment which expired December 18, 1949.

Henry L. Hess, of Oregon, to be United States attorney for the district of Oregon. He is now serving in this office under an appointment which expired November 29, 1949.

##### IN THE NAVY

Vice Adm. Francis S. Low, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Logistics).

Rear Adm. John H. Cassady, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Air).

Vice Adm. William M. Fechteler, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, Atlantic and United States Atlantic Fleet.

Rear Adm. Lynde D. McCormick, United States Navy, to be Vice Chief of Naval Opera-

tions in the Department of the Navy, and to have the grade, rank, pay, and allowances of a vice admiral while so serving under a Presidential designation.

Vice Adm. Robert B. Carney, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, Second Task Fleet.

Vice Adm. John J. Ballentine, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, Sixth Task Fleet.

Rear Adm. Joseph F. Jelley, Jr., Civil Engineer Corps, United States Navy, to be Chief of the Bureau of Yards and Docks in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

Hickenlooper	Lucas	Russell
Hill	McCarran	Saltonstall
Hoey	McCarthy	Schoepfel
Holland	McClellan	Smith, Maine
Humphrey	McFarland	Smith, N. J.
Hunt	McKellar	Sparkman
Ives	McMahon	Stennis
Jenner	Magnuson	Taft
Johnson, Colo.	Malone	Taylor
Johnson, Tex.	Martin	Thomas, Okla.
Johnston, S. C.	Maybank	Thomas, Utah
Kefauver	Millikin	Thye
Kem	Morse	Tobey
Kilgore	Mundt	Tydings
Knowland	Myers	Vandenberg
Langer	Neely	Watkins
Leahy	O'Connor	Wherry
Lehman	O'Mahoney	Wiley
Lodge	Pepper	Williams
Long	Robertson	Young

## SENATE

THURSDAY, JANUARY 12, 1950

(Legislative day of Wednesday, January 4, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, this sacred altar at which our spirits bow in the midst of another day's demands is the witness of our weakness and of how fruitless are our quests and how futile are our arguments if we turn not to Thee in the humility of prayer. In these fateful days for whose decisions the future will judge us, by Thine enabling might may we maintain our integrity unsullied by animosities, prejudices, or personal ambitions, regarding always public office as a sacred trust. As our frail hands have a part in the shaping of the world that is to be, give to us the vision, the wisdom, and the courage that will make for both justice and lasting peace. In the dear Redeemer's name. Amen.

#### ATTENDANCE OF A SENATOR

EDWIN C. JOHNSON, a Senator from the State of Colorado, appeared in his seat today.

#### THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, January 11, 1950, was dispensed with.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

#### CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Cordon	Flanders
Anderson	Darby	Frear
Brewster	Donnell	Fulbright
Bricker	Douglas	George
Bridges	Downey	Gillette
Butler	Dworshak	Graham
Cain	Eastland	Green
Capehart	Eaton	Gurney
Chapman	Ellender	Hayden
Connally	Ferguson	Hendrickson

Mr. MYERS. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Virginia [Mr. BYRD] and the Senator from Kentucky [Mr. WITHERS] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. KERR] are absent on official business as members of a subcommittee of the Committee on Public Works, holding hearings on various flood-control and public-works projects in the State of New Mexico.

The VICE PRESIDENT. A quorum is present.

#### TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be allowed to present petitions and memorials, introduce bills and resolutions, and submit reports and other routine matters for the RECORD without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

#### REPORT OF ECONOMIC COOPERATION ADMINISTRATION—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations:

*To the Congress of the United States of America:*

I am transmitting herewith the sixth report of the Economic Cooperation Administration created by the Foreign Assistance Act of 1948, Public Law 472 of the Eightieth Congress, approved April 3, 1948.

The report covers activities under the Economic Cooperation Act of 1948 (title I of Public Law 472, as amended) as well as the programs of economic aid to China under section 12 of Public Law 47, Eighty-first Congress, and to the Republic of Korea under the provisions of the Foreign Aid Appropriation Act of 1949 (Public Law 793, 80th Cong.) and Public Laws 154 and 196, Eighty-first Congress. There is also included in the appendix a summary of the status of the United States foreign relief program (Public Law 84, 80th Cong.) and the United States foreign aid program (Public Law 389, 80th Cong.).

This report is for the quarter ended September 30, 1949.

HARRY S. TRUMAN,  
THE WHITE HOUSE, January 12, 1950.